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1988

STATISTICAL FACT BOOK

CURRENT INFORMATION ABOUT DIRECT MARKETING AND DIRECT RESPONSE ADVERTISING

DIRECT MARKETING ASSOCIATION
6 EAST 43RD STREET
NEW YORK, N.Y. 10017
212-689-4977

The Direct Marketing Association, Inc., established in 1917, is the largest and oldest international trade association representing users, creators and suppliers of direct mail advertising and other direct marketing techniques. DMA's 5,698 members from 3,991 companies represent a cross section of business and are located in all 50 states and 35 other countries. Offices are located at 6 East 43rd Street, New York, New York 10017 and 1101 17th Street NW, Washington, D.C. 20036.

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HOW TO USE THE STATISTICAL FACT BOOK

The Direct Marketing Association's 1988 Statistical Fact Book offers a quantified view of the "state-of-the-art" for virtually all aspects of direct marketing.

Significantly, DMA is uniquely positioned to develop, acquire and compile direct marketing data which details the status and direction of direct response.

- Advertising
- Media
- Lists/Databases
- Market Applications
- Practical Management Information

The purpose of this statistical resource is to provide direct marketers easy access to authoritative data that will be helpful in making informed marketing decisions and media choices, in supporting proposed business and marketing strategies and in helping to make the most cost effective expenditure decisions. More than 420 charts and graphs:

- Highlight important media and market growth and usage trends by specific media and markets;

- Pin-point consumer and business attitudes and buying habits concerning direct marketing;

- Quantify and compare marketers' outlooks and expectations on key issues; and

- Provide valuable expenditure, production and operating cost figures.

The 1988 Statistical Fact Book is designed to not only provide the latest direct marketing statistics; it also indicates how the numbers were derived. The book consists of five sections: Direct Response Advertising, Media, Lists/Databases, Markets and Basic Management Information. All primary research studies used and their sources are listed by title, sample and respondent size and type of methodology used. Other sources are recognized by citations within individual sections. In addition, a new index has been compiled for easy referencing.

ACKNOWLEDGEMENTS

Acknowledgement is very much deserved by the many individuals and organizations who provided the information and data that makes this book a substantive resource. On an individual basis, each research study/compilation in this book deserves merit. Collectively, they paint a very valuable picture of the industry.

As Factbook Coordinator, Lauri Moskowitz took on the formidable task of acquiring the data and working the raw material into the format now before you.

A very fine staff of DMA Information Specialists -- Nilda Castillo, Michael Petsky, Mary Jean Barnes, and Gordon McNenny researched and identified the materials for this supplement.

Recognition also goes to DMA's research staff Dana Englert, Dave Warhaftig and Natasha Cooper whose recent projects add much to the scope of research now available to direct marketers and are represented in this book.

In addition, special thanks goes to Anna Pedreiro and Deidre Cook of DMA's production staff who supervised graphic production. All have contributed a service to the direct marketing field and this data will no doubt have applications to all the direct marketers and other users of this year's Statistical Fact Book.

Ann E. Zeller
Project Director &
Vice President, Information and Special Projects
DMA

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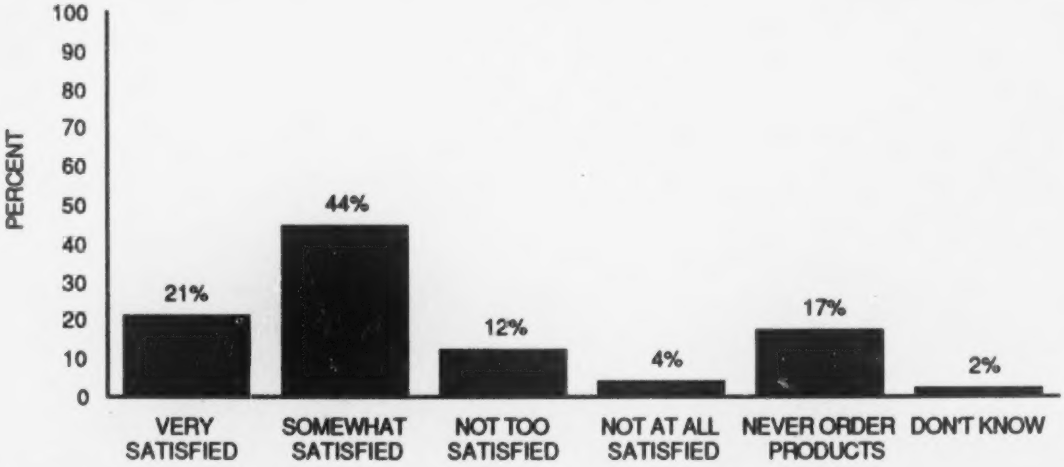
ATTITUDES TOWARD PROMOTIONS AND MERCHANDISE ORDERED

The Gallup Organization's survey investigating consumer attitudes toward the promotions and the merchandise they order was conducted by telephone during July 1986 among 1,027 adults.

Overall, how satisfied have you been with the products or services you buy from offers received in the mail or by phone?



Source: Target Marketing, Gallup Organization September 1986

DIRECT RESPONSE ADVERTISING/BUYING HABITS

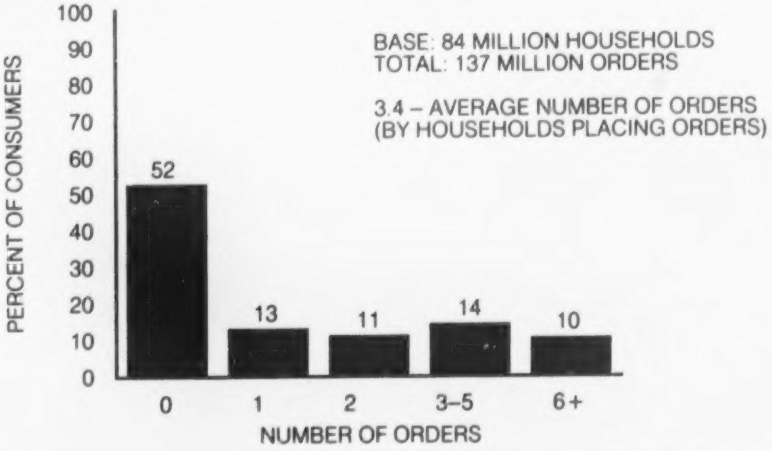
The following charts are from the Simmons Pilot Study conducted in July 1984. The Study was sponsored by Rapp & Collins, Inc., a division of the Doyle Dane Bernbach Group, Inc.

SIMMONS STUDY OF CONSUMER PURCHASING BEHAVIOR

In October 1984, Simmons Market Research Bureau, Inc. released the results of the first-ever study of consumer buying at home by mail or phone. The study of Consumer Purchasing Behavior was conducted in October 1984 among a consumer panel of 19,000 adults using diaries covering goods and services purchased in July 1984 only. It was found that a total of $12 billion dollars of goods and services were purchased at home by mail or phone during this month alone.

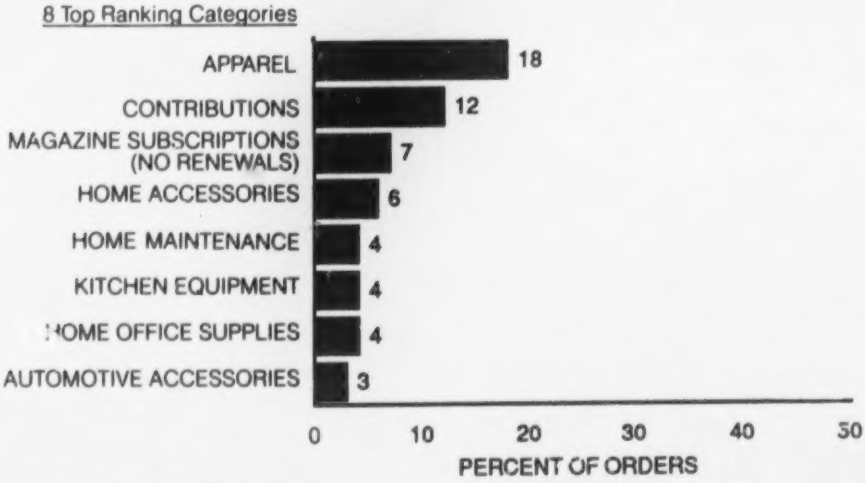
The following charts summarize some of the findings from the 500 page pilot study available from Simmons.

TOTAL ORDERS PLACED DURING JULY 1984



Source: Simmons Market Research Bureau, 1984
1984 Doyle Dane Bernbach/New York

LEADING MERCHANDISE/SERVICE CATEGORIES AMONG ORDERS PLACED



Source: Simmons Market Research Bureau, 1984
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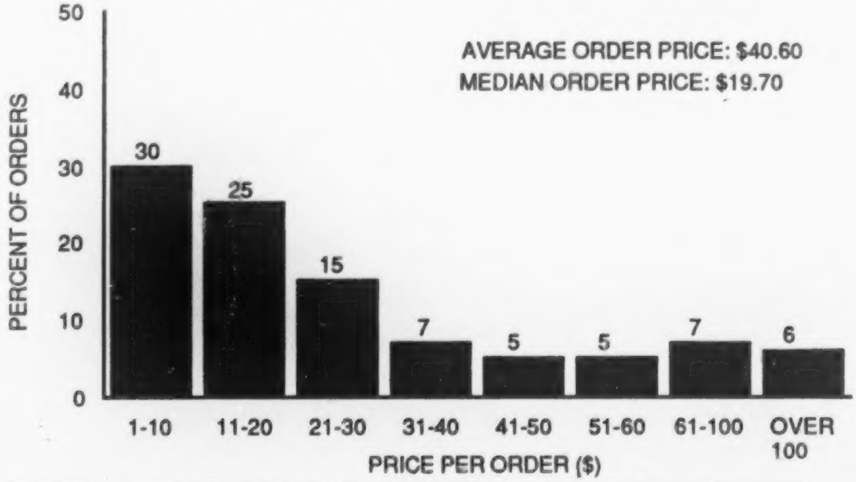
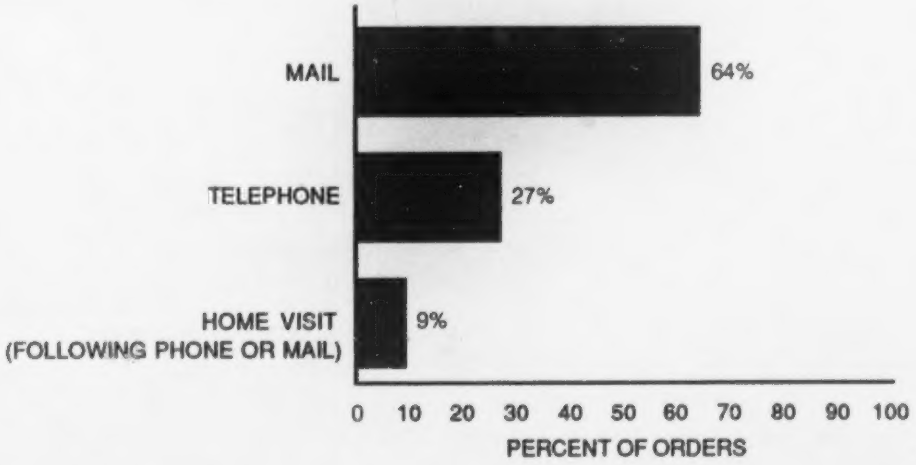
PRICE OF ORDERS



Source: Simmons Market Research Bureau, 1984
©1984 Doyle Dane Bernbach/New York

METHODS USED WHEN PLACING ORDERS



Source: Simmons Market Bureau, 1984
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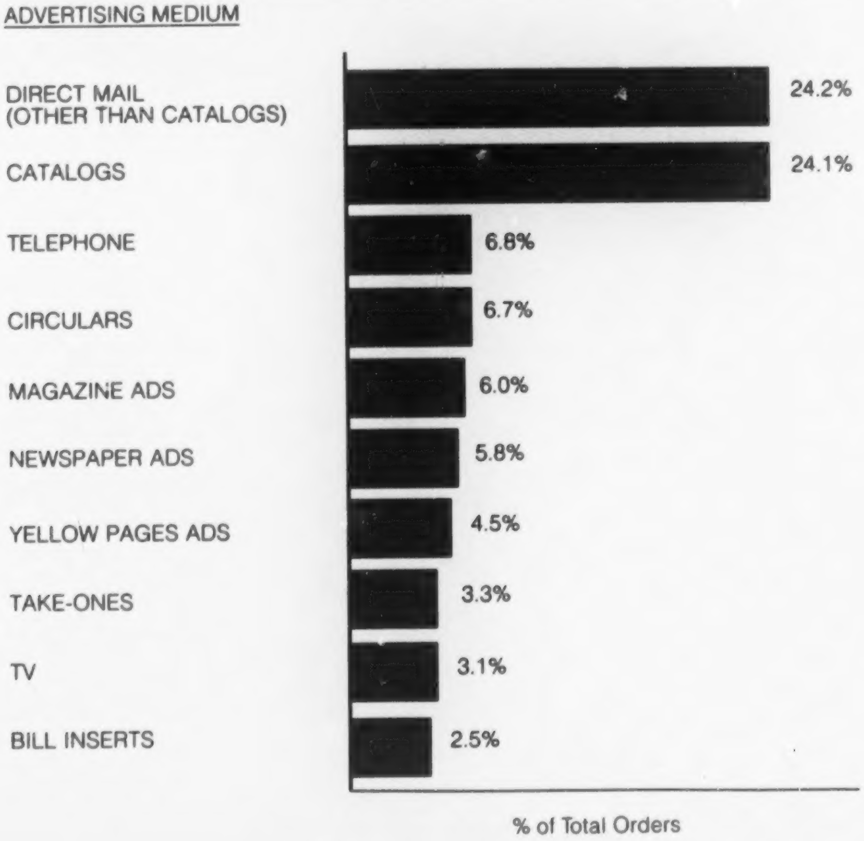
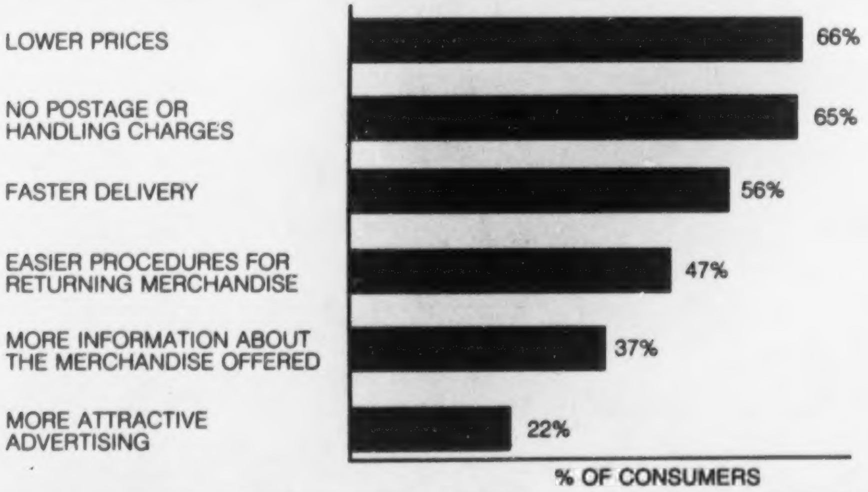
SOURCES THAT PRODUCED CONSUMER OFFERS



FACTORS THAT WOULD INFLUENCE CONSUMERS TO BUY MORE VIA DIRECT MARKETING



Source: Simmons Market Research Bureau, Inc., 1985
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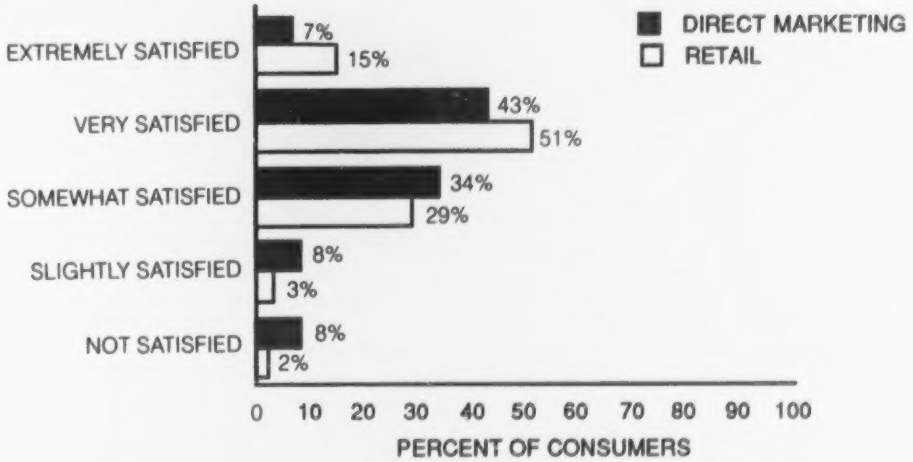
CONSUMER SATISFACTION WITH DIRECT MARKETING VS. RETAIL PURCHASING



Source: Simmons Market Bureau, 1984
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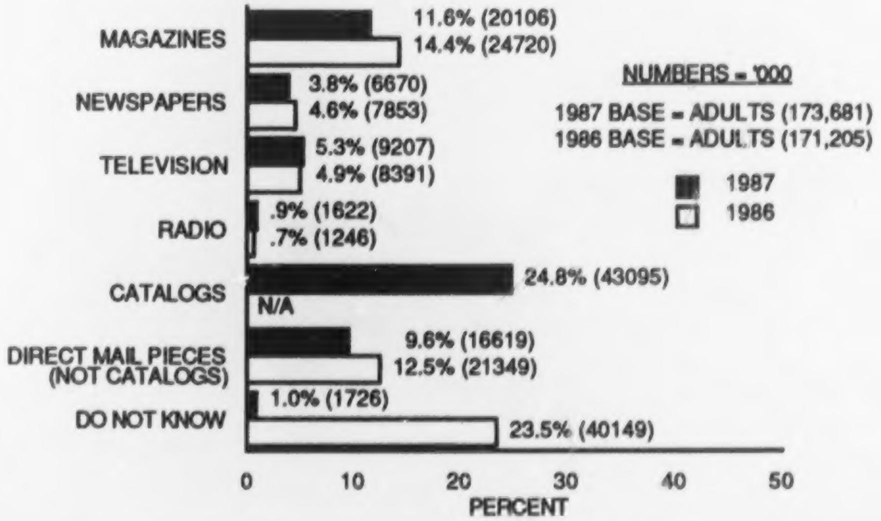
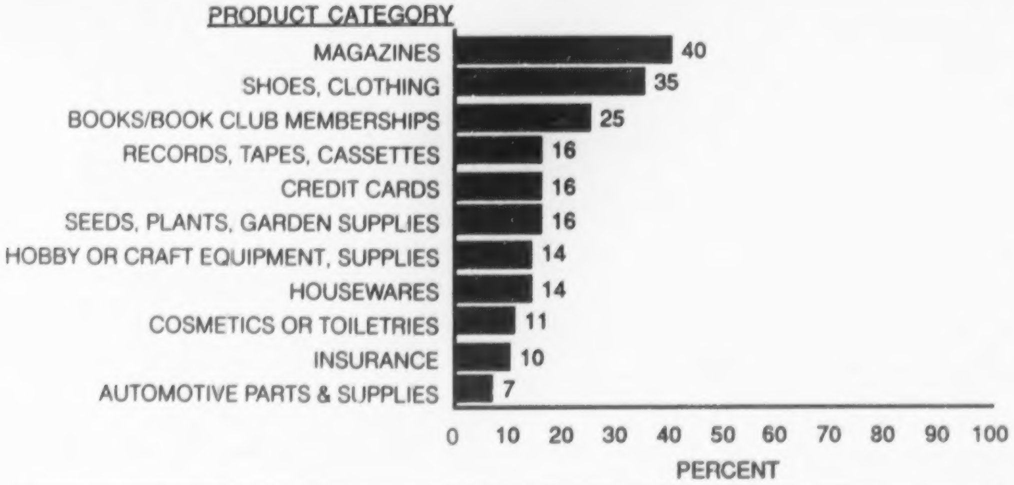
MAIL AND PHONE ORDERS

Through which offers did you order any merchandise or services in the last 12 months by mail or phone?



Source: Simmons Market Research Bureau, Inc., 1986 & 1987

PERCENT OF ALL ADULTS WHO BOUGHT VIA DIRECT RESPONSE IN 1985 AND WHAT THEY BOUGHT

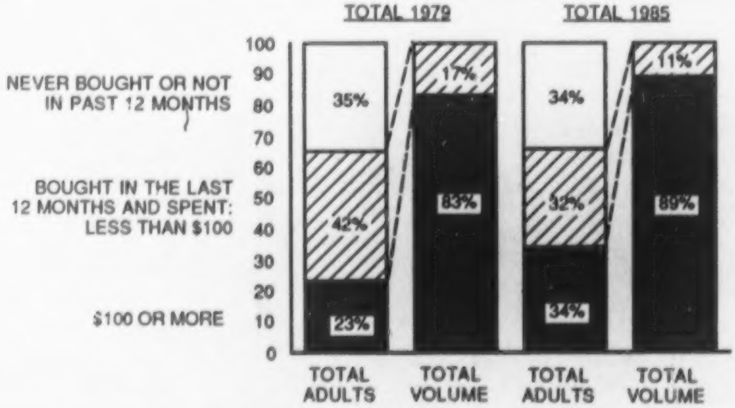


Source: Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986

% OF ADULTS BUYING VIA DIRECT RESPONSE & HOW MUCH WAS SPENT

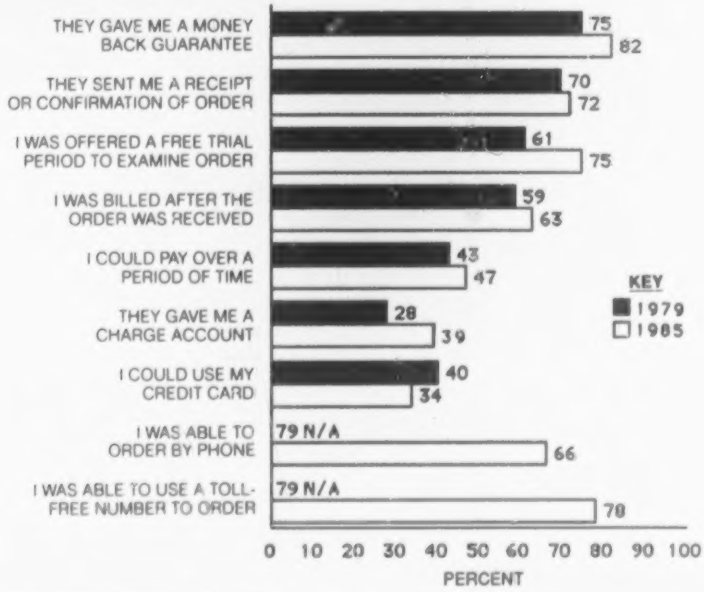
Ogilvy and Mather Direct, SRI, Direct Response Consumer Study was conducted by mail in 1986 among 2,892 adults.

In 1985, 34% of all adults who spent $100 or more accounted for 89% of our total dollar volume. This compares with 1979 when 23% of all adults spending $100 or more, accounted for 83% of our total dollar volume.



Source: Ogilvy & Mather Direct: A Look Before We Leap into the 1980's, 1979. Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986

I WOULD BUY MORE VIA DIRECT RESPONSE IF:



Source: Ogilvy & Mather Direct. A Look Before We Leap Into the 1980's. 1979. Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986

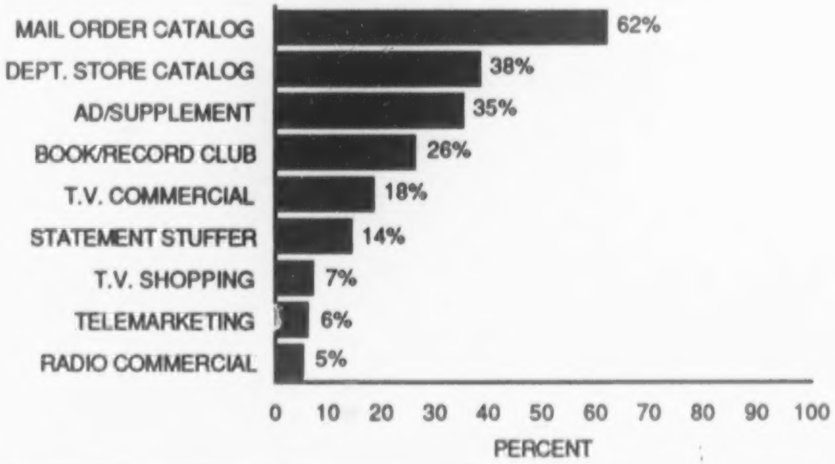
ORDERING PRODUCT OR SERVICE BY MAIL/PHONE AFTER SEEING MAGAZINE/TELEVISION AD FOR IT (DURING PAST MONTH)

		MEN		WOMEN	
		MAGAZINES	TV	MAGAZINES	TV
	TOTAL U.S.	27%	14%	28%	14%
BY EDUCATION:	DID NOT GRADUATE H.S.	22%	13%	24%	10%
	GRADUATED HIGH SCHOOL	24	16	25	19
	ATTENDED COLLEGE	30	16	31	12
	GRADUATED COLLEGE	29	11	30	13
BY HOUSEHOLD INCOME:	UNDER $15,000	25%	14%	28%	13%
	$15,000–$24,999	25	17	28	15
	$25,000–$34,999	29	14	23	15
	$35,000 OR MORE	30	15	32	13
BY AGE:	18–24	31%	15%	28%	17%
	25–34	25	12	36	14
	35–44	32	16	26	18
	45–54	26	20	27	18
	55–64	23	10	27	11
	65 & OLDER	24	14	18	7
BY OCCUPATION:	PROF./MGR./OWNER	30%	16%	31%	14%
	WH.COL./SALES/CLER.	30	15	32	11
	BLUE COLLAR	29	16	30	20
	NOT EMPLOYED	20	9	25	14

Source: Magazine Publishers Association, "Study of Media Involvment," November 1986

HOW CONSUMERS BUY

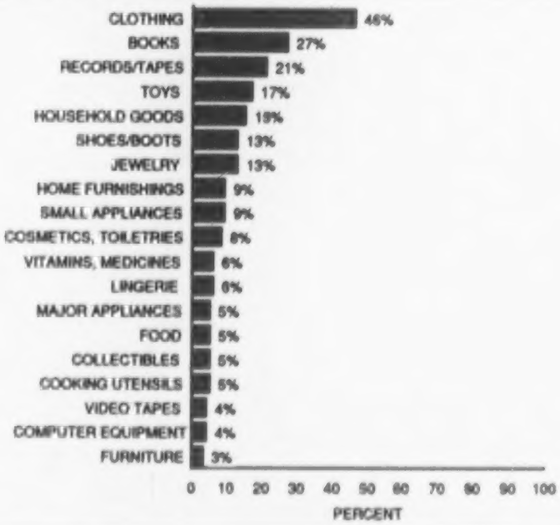
The leading vehicle for direct response is mail order catalogs sent by mail order houses. Fully 62% of direct response consumers ordered a product from one of these catalogs. In second place comes the department store catalog: 38% bought something this way. The popularity of both types of catalogs has increased since 1986.



Source: Reprinted with permission from The Public Pulse, The Roper Organization 1987.

WHAT CONSUMERS BUY BY MAIL

Of consumer purchases within the past 3 months of 19 different kinds of products, this year, like last year, apparel and clothing topped the list. 46% of all direct response customers bought a clothing or apparel item—well ahead of the 27% who purchased books, the 21% who bought records, tapes, or compact discs, or the 17% who bought toys.



Source: Reprinted with permission from The Public Pulse, the Roper Organization 1987

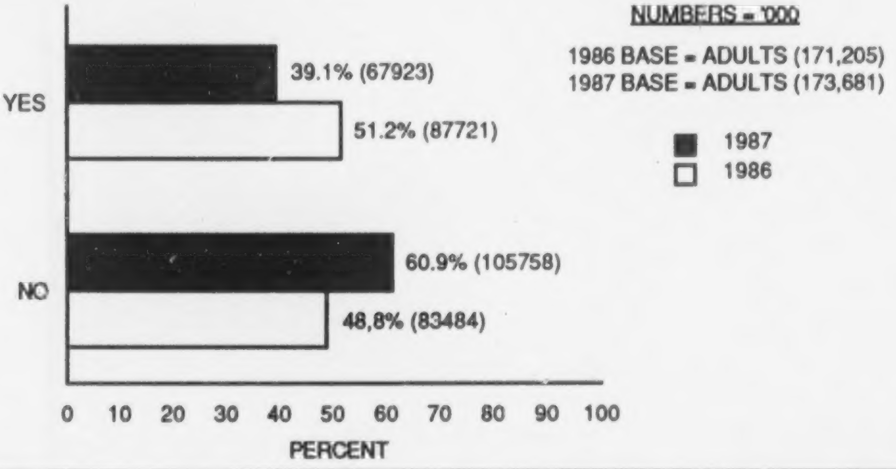
ITEMS ORDERED BY MAIL OR PHONE IN LAST 12 MONTHS

Bold Type #'s + % = 1987
Regular Type #'s + % = 1986

	By Mail or Phone		By Mail		By Phone	
	'000	%	'000	%	'000	%
Cookbooks	**3193**	**1.8**	**2903**	**1.7**	**336**	**.2**
	3051	1.8	2734	1.6	364	.2
Books from Book Clubs	**9094**	**5.2**	**8531**	**4.9**	**685**	**.4**
	7294	4.3	6969	4.1	498	.3
Greeting Cards	**4139**	**2.4**	**3933**	**2.3**	**239**	**.1**
	3977	2.3	3789	2.2	200	.1
Cosmetics	**4414**	**2.5**	**3942**	**2.3**	**631**	**.4**
	4071	2.4	3611	2.1	534	.3
Records	**6128**	**3.5**	**5164**	**3.0**	**1102**	**.6**
	5832	3.4	5082	3.0	901	.5
Pre-Recorded Audio Cassette Tapes	**6693**	**3.9**	**5654**	**3.3**	**1227**	**.7**
	5881	3.4	5259	3.1	820	.5
Magazines	**21361**	**12.3**	**19977**	**11.5**	**2076**	**1.2**
	19838	11.6	18581	10.9	1949	1.1
Photo Processing	**4298**	**2.5**	**4205**	**2.4**	**106**	**.1**
	3806	2.2	3728	2.2	108	.1
Shoes or Boots	**6749**	**3.9**	**4810**	**2.8**	**2223**	**1.3**
	4242	2.5	3381	2.0	1003	.6
Clothing	**20820**	**12.9**	**16010**	**9.2**	**6810**	**3.9**
	13489	7.9	10424	6.1	4194	2.4
Needlecraft Kits and Supplies	**3608**	**2.1**	**3362**	**1.9**	**335**	**.2**
	3645	2.1	3427	2.0	311	.2
Cookware and Kitchen Accessories	**4288**	**2.5**	**3813**	**2.2**	**597**	**.3**
	3274	1.9	2800	1.6	574	.3
Credit Cards	**5840**	**3.4**	**5374**	**3.1**	**781**	**.4**
	5406	3.2	5014	2.9	594	.3
Travel Information	**6816**	**3.9**	**5139**	**3.0**	**2447**	**1.4**
	6459	3.8	4827	2.8	2270	1.3

MAIL AND PHONE ORDER

Have you yourself ordered any merchandise by mail or phone in the last 12 months through offers in magazines, newspapers, on television or radio, in catalogs or from direct mail pieces?



NUMBERS = '000

1986 BASE = ADULTS (171,205)
1987 BASE = ADULTS (173,681)

Source: Simmons Market Research Bureau, Inc., 1986 & 1987

SOURCES OF OFFERS FOR ITEMS ORDERED BY MAIL OR PHONE IN LAST 12 MONTHS

	Total U.S. '000	Ordered by Mail or Phone in Last 12 Months '000	%	Magazines '000	%	Newspapers '000	%
Total Adults	173681	67923	39.1	20106	11.6	6670	3.8
Males	82598	27558	33.4	8530	10.3	2205	2.7
Females	91083	40365	44.3	11576	12.7	4464	4.9
18–24	27154	9363	34.5	2976	11.0	800	2.9
25–34	42000	17842	42.5	5619	13.4	1555	3.7
35–44	32529	14531	44.7	4355	13.4	1469	4.5
45–54	22698	9460	41.7	2710	11.9	914	4.0
55–64	21980	8754	39.8	2353	10.7	1037	4.7
65 and older	27319	7973	29.2	2094	7.7	894	3.3
Graduated College	30437	15016	49.3	4702	15.4	1589	5.2
Attended College	32211	14632	45.4	4296	13.3	1298	4.0
Graduated High School	68358	26670	39.0	7499	11.0	2576	3.8
Did Not Graduate High School	42675	11605	27.2	3610	8.5	1207	2.8
Professional/Manager	26966	13106	48.6	4198	15.6	1138	4.2
Tech./Clerical/Sales	34963	15542	44.5	4176	11.9	1578	4.5
Precision Craft	14199	5169	36.4	1396	9.8	*365	2.6
Other Employed	29036	10290	35.4	3199	11.0	863	3.0
Single	37160	12828	34.5	3996	10.8	1191	3.2
Married	105311	44269	42.0	12816	12.2	4198	4.0
Divorced/Separated/Widowed	31210	10826	34.7	3295	10.6	1281	4.1
Parents	58618	25520	43.5	7956	13.6	2142	3.7
Northeast	*39000	14177	36.4	3505	9.0	1453	3.7
East Central	24545	10213	41.6	3068	12.5	1037	4.2
West Central	28615	13009	45.5	3440	12.0	1038	3.6
South	51567	18421	35.7	5898	11.4	1799	3.5
Pacific	29953	12103	40.4	4196	14.0	1343	4.5
Metro Central City	53046	19635	37.0	6400	12.1	1893	3.6
Metro Suburban	80473	32123	39.9	8990	11.2	3231	4.0
Non Metro	40161	16165	40.3	4716	11.7	1546	3.8
Household $60,000 or more	16548	8002	48.4	2447	14.8	853	5.2
$50,000 or more	26626	12973	48.7	3989	15.0	1205	4.5
$40,000 or more	47419	22277	47.0	6807	14.4	2377	5.0
$30,000 or more	76841	35515	46.2	10481	13.6	3532	4.6
$30,000–$39,999	29422	13238	45.0	3675	12.5	1155	3.9
$20,000–$29,999	35594	14448	40.6	4282	12.0	1286	3.6
$10,000–$19,999	36140	11745	32.5	3480	9.5	1060	2.9
Under $10,000	25107	6216	24.8	1863	7.4	793	3.2
Household Size 1 Person	21267	6753	31.8	1897	8.9	808	3.8
2 People	54138	20902	38.6	5858	10.8	2193	4.1
3 or 4 People	70725	29501	41.7	9063	12.8	2723	3.9
5 or More People	27550	10767	39.1	3288	11.9	*945	3.4
No Child in Household	101867	38119	37.4	10795	10.6	4030	4.0
Child(ren) under 2 years	14740	6483	44.0	2395	16.2	*587	4.0
2–5 years	25443	10906	42.9	3523	13.8	971	3.8
6–11 years	31478	13135	41.7	3899	12.4	1126	3.6
12–17 years	33498	13576	40.5	4157	12.4	1243	3.7
Residence owned	119593	50586	42.3	14504	12.1	4978	4.2
Value: $60,000 or more	65738	29550	45.0	8593	13.1	3168	4.8
Value: Under $60,000	53855	21036	39.1	5911	11.0	1810	3.4

*Projection relatively unstable because of sample base—use with caution.

Source: Simmons Market Research Bureau, Inc. 1987

Total '000	Television '000	Television %	Catalogs '000	Catalogs %	Direct Mail Pieces (not catalogs) '000	Direct Mail Pieces (not catalogs) %
173681	9207	5.3	43095	24.8	16619	9.6
82598	3909	4.7	16634	20.1	6414	7.8
91083	5298	5.8	26461	29.1	10206	11.2
27154	1587	5.8	5236	19.3	2021	7.4
42000	2445	5.8	11563	27.5	4502	10.7
32529	1891	5.8	9459	29.1	3581	11.0
22698	1194	5.3	6260	27.6	2427	10.7
21980	1123	5.1	5675	25.8	2272	10.3
27319	967	3.5	4903	17.9	1816	6.6
30437	1479	4.9	10807	35.5	3674	12.1
32211	1946	6.0	9810	30.5	3595	11.2
68358	4067	5.9	16526	24.2	6681	9.8
42675	1715	4.0	5952	13.9	2669	6.3
26966	1393	5.2	9309	34.5	3443	12.8
34963	2358	6.7	10072	28.8	3785	10.8
14199	626	4.4	3275	23.1	1115	7.9
29036	1351	4.7	5998	20.7	2365	8.1
37160	1948	5.2	7482	20.1	2787	7.5
105311	5740	5.5	29504	28.0	11096	10.5
31210	1519	4.9	6109	19.6	2737	8.8
58618	3439	5.9	16648	28.4	6483	11.1
39000	1775	4.6	9649	24.7	3228	8.3
24545	1426	5.8	6674	27.2	2576	10.5
28615	1402	4.9	8602	30.1	3422	12.0
51567	2998	5.8	11285	21.9	4149	8.0
29953	1606	5.4	6885	23.0	3245	10.8
53046	3962	5.6	11560	21.8	4778	9.0
80473	4303	5.3	20938	26.0	8102	10.1
40161	1943	4.8	10598	26.4	3740	9.3
16548	1102	6.7	5731	34.6	1734	10.5
26626	1726	6.5	9326	35.0	2907	10.9
47419	2990	6.3	15639	33.0	5196	11.0
76841	4656	6.1	2442	31.8	8713	11.3
29422	1666	5.7	8803	29.9	3517	12.0
35594	1949	5.5	8806	24.7	3582	10.1
36140	1722	4.8	6795	18.8	2990	8.3
25107	880	3.5	3052	12.2	1333	5.3
21267	884	4.2	4101	19.3	1605	7.5
54138	2763	5.1	13367	24.7	5262	9.7
70725	3910	5.5	18989	26.8	7076	10.0
27550	1650	6.0	6638	24.1	2676	9.7
101867	5041	4.9	24279	23.8	9204	9.0
14740	893	6.1	3886	26.4	1688	11.5
25443	1588	6.2	6872	27.0	2723	10.7
31478	1793	5.7	8646	27.5	3340	10.6
33498	1725	5.1	8689	25.9	3214	9.6
119593	6586	5.5	33785	28.2	12212	10.2
65738	3578	5.4	20708	31.5	6820	10.4
53855	3008	5.6	13077	24.3	5392	10.0

MAIL AND PHONE ORDERS

Total Amount Spent on all Merchandise and Services Ordered in Last 12 Months

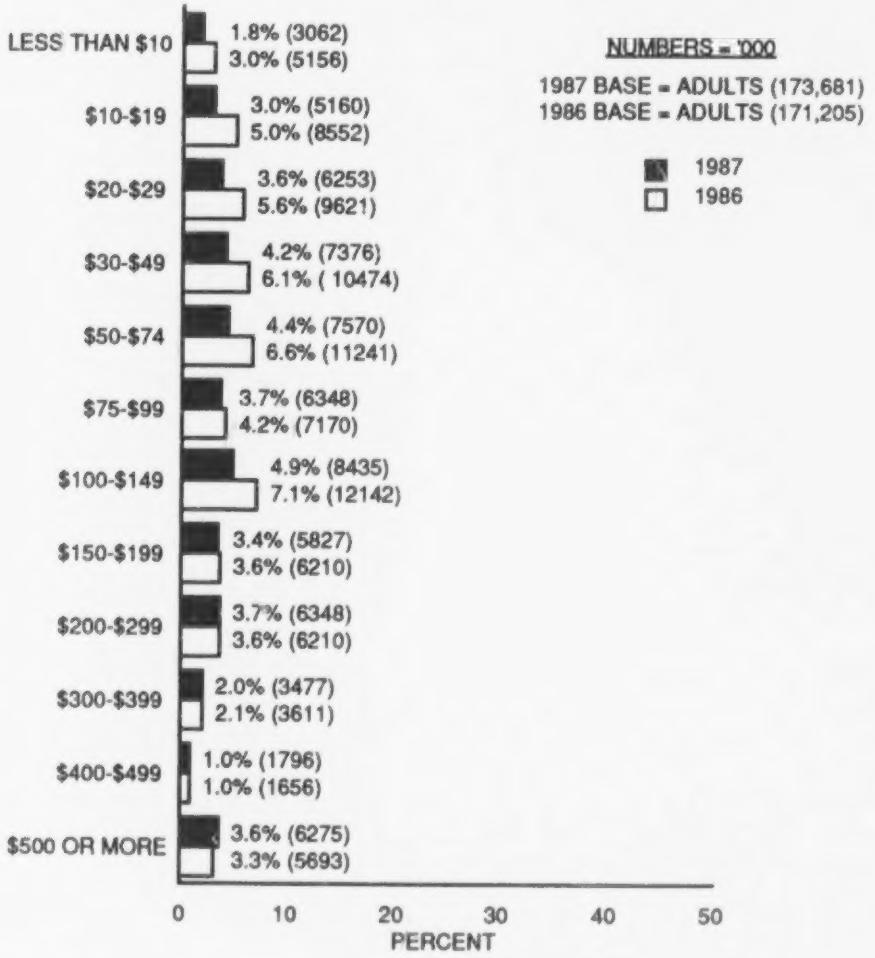
Bold Type #'s + % = 1987
Bottom #'s + % = 1986

	Total U.S.	Ordered by Mail or Phone in last 12 months		Less than $50		$50–$149		$150 or More	
	'000	'000	%	'000	%	'000	%	'000	%
Total Adults	**173681**	**67923**	**39.1**	**21850**	**12.6**	**22350**	**12.9**	**23723**	**13.7**
	171205	87721	51.2	33803	19.7	30553	17.8	23365	13.6
Males	**82598**	**27558**	**33.4**	**9075**	**11.0**	**8783**	**10.6**	**9700**	**11.7**
	80940	36717	45.4	13275	16.4	12280	15.2	1162	13.8
Females	**91083**	**40365**	**44.3**	**12775**	**14.0**	**13567**	**14.9**	**14023**	**15.4**
	90265	51004	56.5	20528	22.7	18273	20.2	12203	13.5
18–24	**27154**	**9363**	**34.5**	**3618**	**13.3**	**3252**	**12.0**	**2492**	**9.2**
	28015	12233	43.7	5760	20.6	4111	14.7	2362	8.4
25–34	**42000**	**17842**	**42.5**	**5708**	**13.6**	**5726**	**13.6**	**6408**	**15.3**
	40789	22256	54.6	8328	20.4	8033	19.7	5895	14.5
35–44	**32529**	**14531**	**44.7**	**4423**	**13.6**	**4151**	**12.8**	**5956**	**18.3**
	30748	17829	58.0	6342	20.6	6209	20.2	5278	17.2
45–54	**22698**	**9460**	**41.7**	**2629**	**11.6**	**3501**	**15.4**	**3330**	**14.7**
	22492	12388	55.1	4663	20.7	4113	18.3	3612	16.1
55–64	**21980**	**8754**	**39.8**	**2507**	**11.4**	**2893**	**13.2**	**3354**	**15.3**
	22214	11633	52.4	4494	20.2	3702	16.7	3437	15.5
65 or older	**27319**	**7973**	**29.2**	**2965**	**10.9**	**2827**	**10.3**	**2182**	**8.0**
	26947	11384	42.2	4217	15.6	4386	16.3	2781	10.3
Northeast-Census	**37504**	**14100**	**37.6**	**4782**	**12.8**	**4015**	**10.5**	**5379**	**14.3**
	37661	17672	46.9	6061	16.1	6223	16.5	5388	14.3
Midwest	**42665**	**18952**	**44.4**	**3196**	**14.4**	**3137**	**14.2**	**3880**	**15.8**
	42621	25025	58.7	9587	22.5	8601	20.2	6837	16.0
South	**59354**	**20984**	**35.4**	**6864**	**11.6**	**7159**	**12.1**	**6962**	**11.7**
	58120	28396	48.9	12254	21.1	9676	16.6	6466	11.1
West	**34158**	**13887**	**40.7**	**4062**	**11.9**	**5169**	**15.1**	**4657**	**13.6**
	32803	16628	50.7	5901	18.0	6053	18.5	4674	14.2
Northeast-Mktg.	**39000**	**14177**	**36.4**	**4782**	**12.3**	**4015**	**10.3**	**5379**	**13.8**
	38874	17806	45.8	6086	15.7	6537	16.8	5183	13.3
East Central	**24545**	**10213**	**41.6**	**3196**	**13.0**	**3137**	**12.8**	**3880**	**15.8**
	24736	13412	54.2	5252	21.2	4128	16.7	4032	16.3
West Central	**28615**	**13009**	**45.5**	**4334**	**15.1**	**4217**	**14.7**	**4458**	**15.6**
	28455	17234	60.6	6592	23.2	6285	22.1	4357	15.3
South	**51567**	**18421**	**35.7**	**5918**	**11.6**	**6411**	**12.4**	**6028**	**11.7**
	50124	24611	49.1	10583	21.1	8338	16.6	5689	11.3
Pacific	**29953**	**12103**	**40.4**	**3556**	**11.9**	**4570**	**15.3**	**3977**	**13.3**
	29016	14658	50.5	5290	18.2	5265	18.1	4104	14.1
Metro Central City	**53046**	**19635**	**37.0**	**6358**	**12.0**	**6177**	**11.6**	**7100**	**13.4**
	51456	22996	44.7	8719	16.9	8884	17.3	5393	10.5
Metro Suburban	**80473**	**32123**	**39.9**	**10300**	**12.8**	**10773**	**13.4**	**11049**	**13.7**
	78160	40490	51.8	15069	19.3	13926	17.8	11495	14.7
Nonmetro	**40161**	**16165**	**40.3**	**5191**	**12.9**	**5400**	**13.4**	**5574**	**13.9**
	41589	24236	58.3	10015	24.1	7744	18.6	6477	15.6
Household income $60,000 +	**16548**	**8002**	**48.4**	**1904**	**11.5**	**2281**	**13.8**	**3817**	**23.1**
	15134	8777	58.0	2637	17.4	3305	21.8	2835	18.7
$50,000 or more	**26626**	**12973**	**48.7**	**3413**	**12.8**	**3893**	**14.6**	**5667**	**21.3**
	23947	14111	58.9	4203	17.6	5292	22.1	4616	19.3
$40,000 or more	**47419**	**22277**	**47.0**	**5882**	**12.4**	**7055**	**14.9**	**9341**	**19.7**
	43026	25051	58.2	8254	19.2	9026	21.0	7772	18.1
$30,000 or more	**76841**	**35515**	**46.2**	**9531**	**12.4**	**11571**	**15.1**	**14413**	**18.8**
	70000	40972	58.5	13990	20.0	14484	20.7	12498	17.9
$30,000–$39,000	**29422**	**13238**	**45.0**	**3659**	**12.4**	**4517**	**15.4**	**5073**	**17.2**
	26975	15921	59.0	5736	21.3	5459	20.2	4726	17.5
$20,000–$29,000	**35594**	**14448**	**40.6**	**4906**	**13.8**	**4768**	**13.4**	**4774**	**13.4**
	36222	19628	54.2	7612	21.0	6927	19.1	5089	14.0
$10,000–$19,000	**36140**	**11745**	**32.5**	**4277**	**11.8**	**4234**	**11.7**	**3234**	**8.9**
	38896	18298	47.0	7931	20.4	6462	16.6	3904	10.0
Under $10,000	**25107**	**6216**	**24.8**	**3136**	**12.5**	**1778**	**7.1**	**1302**	**5.2**
	26087	8823	33.8	4270	16.4	2679	10.3	1874	7.2

Source: Simmons Market Research Bureau, Inc. 1986 & 1987

MAIL AND PHONE ORDER

For the merchandise and services ordered by mail or phone, what is the total amount you yourself spent in the last 12 months?



Source: Simmons Market Research Bureau, Inc. 1986 & 1987

DIRECT RESPONSE ADVERTISING AGENCIES U.S. GROSS BILLINGS

	BILLINGS (IN MILLIONS)	
	1987	1986 +
AGENCIES REPORTING FEES AND COMMISSIONS ONLY		
OGILVY & MATHER DIRECT*	260.0	240.0
WUNDERMAN, RICOTTA & KLINE*	259.9	224.5
FOOTE, CONE & BELDING[1,2]	176.7	N/A
MARCOA DR GROUP, INC.	119.2	110.0
GREY DIRECT INTERNATIONAL[3]	103.0	94.0
RAPP & COLLINS USA, INC.[1]	101.4	80.1
KOBS & BRADY ADVERTISING, INC.	85.3	81.8
CHAPMAN/STONE & ADLER, INC.	75.0	97.0
BARRY BLAU & PARTNERS, INC.	74.3	63.0
McCAFFREY & McCALL DIRECT MARKETING	64.3	51.5
OMNI MARKETING INC.	57.0	46.0
McCANN DIRECT[4]	54.6	41.8
LOWE MARSCHALK DIRECT MARKETING	51.0	41.2
GSP MARKETING SERVICES*	41.7	34.4
BOZELL, JACOBS, KENYON & ECKHARDT DIRECT	40.1	36.7
AYER DIRECT, A DIVISION OF NW AYER INC.	33.4	37.0
GILLESPIE ADVERTISING, INC.	28.5	24.5
LAWRENCE BUTNER ADVERTISING, INC.*	27.2	24.3
LINTAS VOSS CAMPBELL EWALD CECO	26.5	25.8
KARL ROVE & COMPANY	23.3	16.8
J. WALTER THOMPSON DIRECT	22.9	21.7
DIRECT INC.*	20.2	15.3
KETCHUM DIRECT	20.0	25.0
MANUS DIRECT RESPONSE MARKETING*	18.0	11.5
CRAMER-KRASSELT/DIRECT	16.8	10.7
CLARK DIRECT MARKETING, INC.	16.7	15.7
TRACY LOCKE (DENVER, CO & DALLAS, TX)	16.5	16.7
WAKEMAN AND DeFORREST*	16.0	8.5
DIRECTECH, INC.	16.0	10.7
MULDOON DIRECT, INC.	14.1	10.2
HUNTSINGER & JEFFER, INC.	14.1	15.5
HERRING/NEWMAN DIRECT RESPONSE ADVERTISING*	14.0	8.4
MacDANTZ DIRECT, INC.	13.8	12.5
THE TOWNSEND AGENCY, LTD.*	13.7	12.0
SAATCHI & SAATCHI DFS DIRECT	13.1	17.9
HBM/CREAMER DIRECT	13.1	7.2
THE GRIFFIN AGENCY	11.4	10.3
BEAUMONT, HELLER & SPERLING, INC.	9.3	7.9
HAL LANGERMAN COMPANY	8.9	6.5
EVERGREEN ADVERTISING & MARKETING, INC.	8.7	8.7
BRIERLEY & PARTNERS*[5]	8.7	5.2
AD HOC MARKETING RESOURCES, INC.	8.1	N/A
LORTZ DIRECT MARKETING, INC.	6.3	3.9
ASSOCIATES & LARRANAGA MARKETING & ADVERTISING	5.8	5.9
PARSONS & KERN ADVERTISING, INC.	5.2	4.0
CREATIVE DIRECT MARKETING GROUP, INC.	5.2	1.7
SHELDON FREDERICKS ADV., INC.	5.1	5.3
AC & R DIRECT	4.5	3.7
E&M ADVERTISING	4.2	2.3
ARAGON SALES DEVELOPMENT SERVICES	4.1	7.6
JACOBS & CLEVENGER, INC.	4.0	3.3
ACKERMAN DIRECT	3.7	2.2
HAYNES & PITTENGER DIRECT*	3.7	2.2
RONALD A. BERNSTEIN & ASSOC., INC.	3.3	2.5
TAURUS MARKETING	2.7	2.7
CARMICHAEL-LYNCH, INC.*	2.3	1.3
EGAN ADVERTISING, INC.	2.1	2.5
HOOPER MARKETING	1.7	N/A
THE NEWINGTON GROUP, INC.	0.1	0.1
AGENCIES REPORTING FEES AND COMMISSIONS PLUS INTERNAL PRODUCTION REVENUES		
THE DIRECT MARKETING GROUP, INC.	149.8	138.7
THE DIRECT MARKETING AGENCY, INC.*	55.3	60.4
CUSTOMER DEVELOPMENT CORPORATION	54.7	40.5
EPSILON	51.6	49.0
DIRECT MAIL CORPORATION OF AMERICA	44.0	40.0
THE REICH GROUP	31.3	25.0
CMS DIRECT, INC.	30.1	29.1
GRIZZARD ADVERTISING, INC.*	14.6	13.5
THE WALTER LATHAM COMPANY	13.0	7.5
BRUCE W. EBERLE & ASSOCIATES, INC.	12.0	13.0
COMMUNIQUE, INC.*	9.7	9.3

+ Agencies have the option to submit adjusted figures for 1986

* Audit available on reported figures

(1) Does not include internal production revenue

(2) 1987 merger, no figures available for 1986

(3) 1986 includes Minnesota, 1987 does not

(4) 1986 NY only

(5) 1986 includes Target Marketing Systems, 1987 does not

Note: This list represents only those agencies who responded to a request made in 1988 for full year U.S. 1986 and 1987 billings. All figures were supplied by the individual agencies, who were asked to include capitalized media commissions, material and services fees and agency fees plus revenue derived from direct mail internal production activities where the agency provided the creative services.

Source: Direct Marketing Association Research Department, 1988

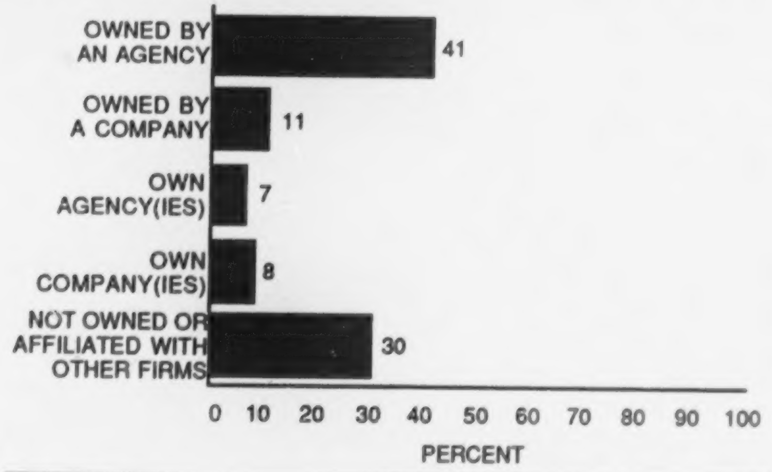
1984 DIRECT RESPONSE ADVERTISING AGENCY SALARIES

The DMA Direct Response Advertising Agencies Compensation Survey was conducted by mail in September 1985 among 291 advertising agencies. A 29 percent response rate was achieved. The results of this study provides a profile of respondents and analyzes compensation on a total respondent base as well as by ownership, geographic location, employee size, and 1984 gross billings. The following charts summarize key highlights of the study's findings.

DEPARTMENT/TITLE	AVERAGE SALARY	MEDIAN SALARY	AVERAGE % BASE SALARY	MEDIAN % BASE SALARY
ACCOUNT MANAGEMENT				
EXECUTIVE/SR. V.P., DIRECTOR OF ACCOUNT MANAGEMENT	$88,278	$75,000	76%	80%
V.P., MANAGEMENT, SUPERVISOR	$65,999	$65,000	86%	86%
ACCOUNT SUPERVISOR	$46,281	$45,000	82%	90%
ACCOUNT EXECUTIVE	$31,603	$30,000	85%	95%
ASSISTANT ACCOUNT EXECUTIVE	$22,637	$20,725	82%	95%
CREATIVE SERVICES				
EXECUTIVE/SR. V.P., DIRECTOR OF CREATIVE SERVICES	$78,355	$72,100	85%	90%
CREATIVE SUPERVISOR	$53,533	$50,000	83%	90%
COPY SUPERVISOR/COPY CHIEF	$40,640	$38,550	80%	93%
COPYWRITER	$30,835	$30,000	90%	97%
JUNIOR COPYWRITER	$21,521	$20,300	90%	96%
ART SUPERVISOR/CHIEF	$46,377	$42,500	89%	94%
ART DIRECTOR	$32,246	$30,000	90%	97%
ASSISTANT ART DIRECTOR	$22,806	$22,000	94%	97%
PRODUCTION & TRAFFIC				
V.P. DIRECTOR OF PRODUCTION AND TRAFFIC	$49,222	$43,350	81%	90%
PRODUCTION MANAGER	$29,887	$29,950	89%	95%
TRAFFIC SUPERVISOR	$25,416	$25,000	92%	93%
TRAFFIC MANAGER	$21,123	$20,000	87%	99%
MEDIA SERVICES				
EXECUTIVE/SR. V.P., DIRECTOR OF MEDIA SERVICES	$78,317	$56,000	84%	82%
V.P., MEDIA DIRECTOR	$42,729	$44,000	78%	90%
MEDIA PLANNER	$27,199	$28,000	80%	91%
MEDIA BUYER	$20,408	$20,000	94%	95%
V.P., BROADCAST DIRECTOR	$51,375	$59,000	91%	90%
BROADCAST BUYER	$24,538	$23,000	97%	100%

Source: DMA Research Department, Agency Leaders Group, 1985

1984 DIRECT RESPONSE ADVERTISING AGENCY OWNERSHIP STATUS



Source: DMA Research Department, Agency Leaders Group, 1985

1984 DIRECT RESPONSE AD AGENCY GROSS BILLINGS BY OWNERSHIP STATUS

BILLINGS AMOUNT	% TOTAL	% OWNED	% NOT OWNED
$5 million or less	44	27	61
$6–$10 million	19	9	29
$11–$25 million	20	33	6
$26–$50 million	13	21	3
$51–$100 million	3	6	—
$101 million or more	2	3	—

Source DMA Research Department, Agency Leaders Group, 1985

BENEFITS OFFERED BY DIRECT RESPONSE AD AGENCIES BY BILLINGS in 1984

		% BILLINGS	
TYPE OF BENEFIT	% TOTAL	$ 10MM OR LESS	$ 11MM OR MORE
GUARANTEED BONUSES	9	10	8
NON-GUARANTEED BONUSES	77	73	83
PROFIT SHARING	59	53	71
COMPANY CAR	22	25	17
INCENTIVE PLANS	25	23	29
STOCK OPTIONS	19	13	29

Source DMA Research Department, Agency Leaders Group, 1985

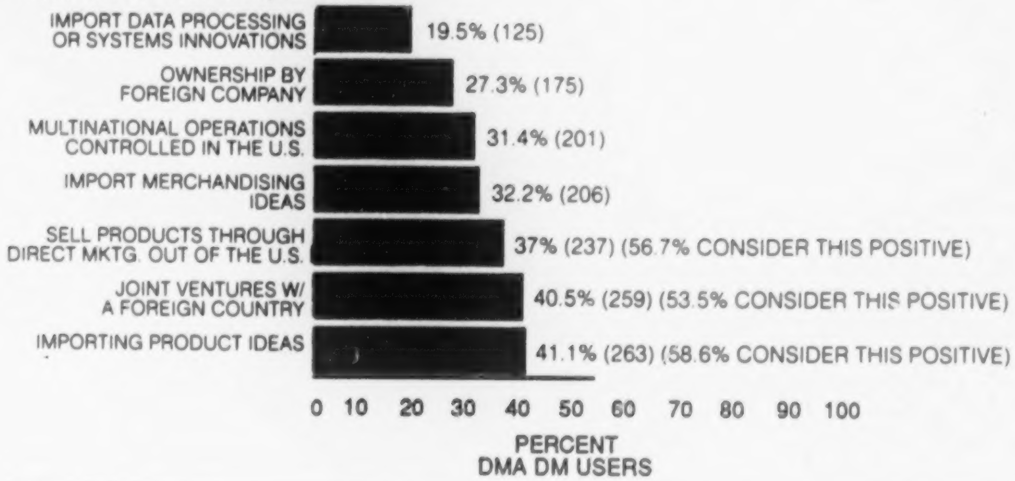
DIRECT RESPONSE AD AGENCY BY 1984 LOCATION, EMPLOYEE SIZE AND BILLINGS

		EMPLOYEE SIZE		BILLINGS	
LOCATION	TOTAL AGENCIES	20 OR LESS	21 OR MORE	10MM OR LESS	11MM OR MORE
NORTHEAST	44%	43%	44%	33%	63%
SOUTHEAST	5%	4%	6%	5%	4%
MIDWEST	30%	36%	25%	35%	21%
SOUTHWEST	17%	18%	17%	23%	8%
NORTHWEST	3%	—	6%	5%	—

Source DMA Research Department, Agency Leaders Group, 1985

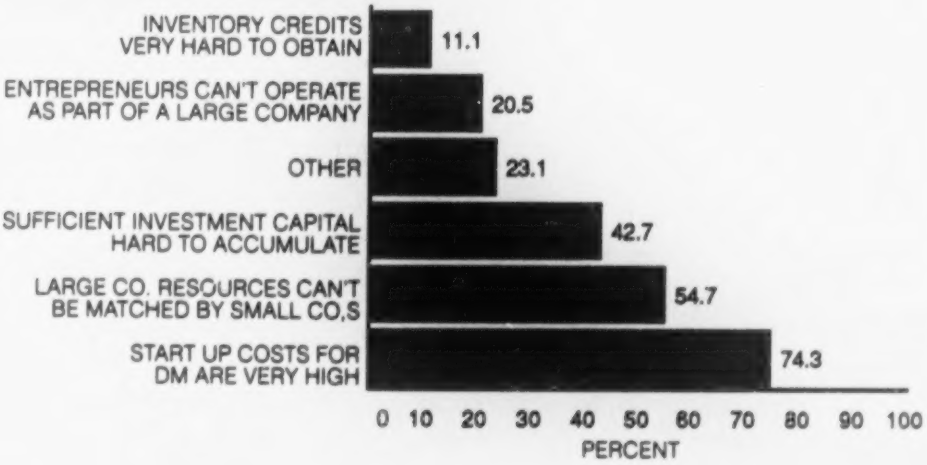
WHAT ARE THE MAJOR INTERNATIONAL TRENDS IN THE DIRECT MARKETING INDUSTRY? IDENTIFIED BY 640 DMA MEMBERS.

(# following %) = The # out of 640 total responses.



Source DMA Research Department, Marketing Council 1986

FACTORS BLOCKING ENTREPRENEURIAL DIRECT MARKETING START-UP OPPORTUNITIES



Source DMA Research Department Marketing Council 1986

MEDIA UNIT* COST TRENDS

(1967 = 100)

	1982	1983	1984	1985	1986	1987	1988
NEWSPAPERS	308	336	366	395	423	448	475
MAGAZINES	219	237	256	276	290	302	314
NETWORK TV	365	394	445	476	495	520	562
SPOT TV	317	342	376	399	423	444	475
NETWORK RADIO	268	300	321	347	375	394	418
SPOT RADIO	232	248	273	289	298	307	322
OUTDOOR	330	363	396	428	449	467	490
DIRECT MAIL	286	290	282	302	308	316	340
COMPOSITE	297	318	342	367	387	405	431

*A unit in the various media listed includes a single black-and-white page for newspapers, a four-color ad for magazines, 30-second spots for network and spot TV, one-minute spots for network and spot radio, a 100 showing in outdoor (100 GRPs, which is the reach and frequency of x-amount of boards per day), and 25,000 pieces of direct mail.

GRP = Gross Rating Points
= The sum of the ratings for a series of programs which makes it possible to compare the relative magnitude of advertisers' schedules.
– One rating point equals 1% of the households in a market.

Media Unit Cost—Lets you rank on a per unit basis and then compare the media.

Source Robert J. Coen, McCann-Erickson, 1988

ESTIMATED 1986–1987 U.S. AD VOLUME

	1986 ($ MILLIONS)	1987 ($ MILLIONS)	Percent Change
NATIONAL			
NEWSPAPERS	3,376	3,494	+ 3.5
MAGAZINES	5,317	5,607	+ 5.5
NETWORK TV	8,342	8,500	+ 1.9
SPOT TV	6,570	6,846	+ 4.2
CABLE TV	676	760	+12.5
NETWORK RADIO	423	413	− 2.4
SPOT RADIO	1,348	1,330	− 1.3
OUTDOOR	600	615	+ 2.5
DIRECT MAIL	17,145	19,111	+11.5
OTHER NATIONAL MEDIA	9,879	10,533	+ 6.6
TOTAL NATIONAL ADVERTISING	56,850	60,625	+ 6.6
LOCAL			
NEWSPAPERS	23,614	25,918	+ 9.8
LOCAL TV	6,514	6,833	+ 4.9
CABLE TV	179	203	+13.6
LOCAL RADIO	5,178	5,463	+ 5.5
OUTDOOR	385	410	+ 6.5
OTHER LOCAL MEDIA	9,420	10,198	+ 8.3
TOTAL LOCAL ADVERTISING	45,290	49,025	+ 8.2
TOTAL ALL ADVERTISING	102,140	109,650	+7.4

Note: According to Robert J. Coen, senior vice president, and director of forecasting at McCann-Erickson, the total U.S. Advertising Expenditures for 1988 are now projected at $118.8 billion, a gain of over 8.4% over 1987.

Direct Mail expenditure growth for 1988 by National Advertisers is still projected to be 11% over the 1987 level for a total of $21.25 billion.

Source Robert J. Coen, McCann-Erickson, Inc. 1988

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1979–1987
(IN MILLIONS OF DOLLARS)

	1979	1980	1981	1982	1983	1984	1985	1986	1987
NEWSPAPERS									
TOTAL	13,863	14,794	16,528	17,694	20,582	23,522	25,170	26,990	29,412
NATIONAL	1,770	1,963	2,259	2,452	2,734	3,081	3,352	3,376	3,494
LOCAL	12,093	12,831	14,269	15,242	17,848	20,441	21,818	23,614	25,918
MAGAZINES	2,932	3,149	3,533	3,710	4,233	4,932	5,155	5,317	5,607
FARM PUBLICATIONS	120	130	146	148	163	181	186	192	196
TELEVISION									
TOTAL	10,154	11,474	12,847	14,706	16,789	19,900	20,770	22,881	23,904
NETWORK	4,599	5,130	5,575	6,210	7,017	8,526	8,285	8,342	8,500
SPOT	2,873	3,319	3,805	4,510	5,096	5,773	6,004	6,570	6,846
CABLE (NATIONAL)	—	50	105	195	303	466	637	676	760
LOCAL TV	2,682	2,967	3,345	3,759	4,323	5,055	5,714	6,514	6,833
CABLE (LOCAL)	—	8	17	32	50	80	130	179	203
RADIO									
TOTAL	3,310	3,702	4,230	4,670	5,210	5,813	6,490	6,949	7,206
NETWORK	161	183	230	255	296	316	365	423	413
SPOT	665	779	879	923	1,038	1,197	1,335	1,348	1,330
LOCAL	2,484	2,740	3,121	3,492	3,876	4,300	4,790	5,178	5,463
DIRECT MAIL	6,653	7,596	8,944	10,319	11,795	13,800	15,500	17,145	19,111
BUSINESS PUBLICATIONS	1,575	1,674	1,841	1,876	1,990	2,270	2,375	2,382	2,458
OUTDOOR									
TOTAL	540	578	650	721	794	872	945	985	1,025
NATIONAL	355	364	419	465	512	562	610	600	615
LOCAL	185	214	231	256	282	310	335	385	410
MISCELLANEOUS									
TOTAL	9,633	10,453	11,711	12,736	14,294	16,530	18,159	19,299	20,731
NATIONAL	4,992	5,478	6,154	6,722	7,348	8,586	9,551	9,879	10,533
LOCAL	4,641	4,975	5,557	6,014	6,946	7,944	8,608	9,420	10,198
TOTAL									
NATIONAL	26,695	29,815	33,890	37,785	42,525	49,690	53,355	56,850	60,625
LOCAL	22,085	23,735	26,540	28,795	33,325	38,130	41,395	45,290	49,025
GRAND TOTAL	48,780	53,550	60,430	66,580	75,850	87,820	94,750	102,140	109,650

Source: Robert J. Coen, McCann-Erickson, Inc., 1987

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1970–1978
(IN MILLIONS OF DOLLARS)

	1970	1971	1972	1973	1974	1975	1976	1977	1978
NEWSPAPERS									
TOTAL	5,704	6,167	6,938	7,481	7,842	8,234	9,618	10,751	12,214
NATIONAL	891	972	1,062	1,049	1,105	1,109	1,342	1,472	1,541
LOCAL	4,813	5,195	5,876	6,432	6,737	7,125	8,276	9,279	10,673
MAGAZINES	1,292	1,370	1,440	1,448	1,504	1,465	1,789	2,162	2,597
FARM PUBLICATIONS	62	57	59	65	72	74	86	90	104
TELEVISION									
TOTAL	3,596	3,534	4,091	4,460	4,854	5,263	6,721	7,612	8,955
NETWORK	1,658	1,593	1,804	1,968	2,145	2,306	2,857	3,460	3,975
SPOT	1,234	1,145	1,318	1,377	1,497	1,623	2,154	2,204	2,607
LOCAL	704	796	969	1,115	1,212	1,334	1,710	1,948	2,373
RADIO									
TOTAL	1,308	1,445	1,612	1,723	1,837	1,980	2,330	2,634	3,052
NETWORK	56	63	74	68	69	83	105	137	147
SPOT	371	395	402	400	405	436	518	546	620
LOCAL	881	987	1,136	1,255	1,363	1,461	1,707	1,951	2,285
DIRECT MAIL	2,766	3,067	3,420	3,698	4,054	4,124	4,786	5,164	5,987
BUSINESS PAPERS	740	720	781	865	900	919	1,035	1,221	1,400
OUTDOOR									
TOTAL	234	261	292	308	309	335	383	418	466
NATIONAL	154	172	192	200	203	220	252	290	307
LOCAL	80	89	100	108	106	115	131	128	159
MISCELLANEOUS									
TOTAL	3,848	4,079	4,577	4,932	5,248	5,506	6,552	7,388	8,555
NATIONAL	2,126	2,201	2,428	2,562	2,746	2,841	3,431	3,849	4,435
LOCAL	1,722	1,878	2,149	2,370	2,502	2,665	3,121	3,539	4,120
TOTAL									
NATIONAL	11,350	11,755	12,980	13,700	14,700	15,200	18,355	20,595	23,720
LOCAL	8,200	8,945	10,230	11,280	11,920	12,700	14,945	16,845	19,610
GRAND TOTAL	19,550	20,700	23,210	24,980	26,620	27,900	33,300	37,440	43,330

Source: Robert J. Coen, McCann-Erickson, Inc., 1987

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1961–1969
(IN MILLIONS OF DOLLARS)

	1961	1962	1963	1964	1965	1966	1967	1968	1969
NEWSPAPERS									
TOTAL	3,601	3,659	3,780	4,120	4,426	4,865	4,910	5,232	5,714
NATIONAL	744	722	702	773	784	887	846	889	943
LOCAL	2,857	2,937	3,078	3,347	3,642	3,978	4,064	4,343	4,771
MAGAZINES	895	942	1,002	1,074	1,161	1,254	1,245	1,283	1,344
FARM PUBLICATIONS	62	65	66	66	71	70	68	68	64
TELEVISION									
TOTAL	1,691	1,897	2,032	2,289	2,515	2,823	2,909	3,231	3,585
NETWORK	887	976	1,025	1,132	1,237	1,393	1,455	1,523	1,678
SPOT	548	629	698	806	892	988	988	1,131	1,253
LOCAL	256	292	309	351	386	442	466	577	654
RADIO									
TOTAL	683	736	789	846	917	1,010	1,048	1,190	1,264
NETWORK	43	46	56	59	60	63	64	63	59
SPOT	220	233	243	256	275	308	314	360	368
LOCAL	420	457	490	531	582	639	670	767	837
DIRECT MAIL	1,850	1,933	2,078	2,184	2,324	2,461	2,488	2,612	2,670
BUSINESS PAPERS	578	597	615	623	671	712	707	714	752
OUTDOOR									
TOTAL	180	171	171	175	180	178	191	208	213
NATIONAL	122	115	115	117	120	118	126	137	138
LOCAL	58	56	56	58	60	60	65	71	75
MISCELLANEOUS									
TOTAL	2,320	2,430	2,567	2,773	2,985	3,257	3,304	3,552	3,814
NATIONAL	1,366	1,437	1,520	1,630	1,745	1,896	1,909	2,020	2,131
LOCAL	954	993	1,047	1,143	1,240	1,361	1,395	1,532	1,683
TOTAL									
NATIONAL	7,315	7,605	8,120	8,720	9,340	10,150	10,210	10,800	11,400
LOCAL	4,545	4,735	4,980	5,430	5,910	6,480	6,660	7,290	8,020
GRAND TOTAL	11,860	12,430	13,100	14,150	15,250	16,630	16,870	18,090	19,420

Source: Robert J. Coen, McCann-Erickson, Inc., 1986

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1952–1960
(IN MILLIONS OF DOLLARS)

	1952	1953	1954	1955	1956	1957	1958	1959	1960
NEWSPAPERS									
TOTAL	2,464	2,632	2,685	3,077	3,223	3,268	3,176	3,526	3,681
NATIONAL	537	606	607	712	754	768	724	773	778
LOCAL	1,927	2,026	2,078	2,365	2,469	2,500	2,452	2,753	2,903
MAGAZINES	575	627	629	691	758	777	734	832	909
FARM PUBLICATIONS	70	71	71	72	73	71	67	71	66
TELEVISION									
TOTAL	454	606	809	1,035	1,225	1,286	1,387	1,529	1,627
NETWORK	256	320	422	550	643	690	742	776	820
SPOT	94	145	207	260	329	352	397	486	527
LOCAL	104	141	180	225	253	244	248	267	280
RADIO									
TOTAL	624	611	559	545	567	618	620	656	693
NETWORK	162	141	114	84	60	63	58	44	43
SPOT	141	146	135	134	161	187	190	206	222
LOCAL	321	324	310	327	346	368	372	406	428
DIRECT MAIL	1,024	1,099	1,202	1,299	1,419	1,471	1,589	1,688	1,830
BUSINESS PAPERS	365	395	408	446	496	568	525	569	609
OUTDOOR									
TOTAL	162	176	187	192	201	199	192	193	203
NATIONAL	109	119	126	130	136	134	130	130	137
LOCAL	53	57	61	62	65	65	62	63	66
MISCELLANEOUS									
TOTAL	1,402	1,523	1,600	1,793	1,948	2,012	2,020	2,206	2,342
NATIONAL	767	846	899	1,002	1,111	1,169	1,184	1,280	1,364
LOCAL	635	677	701	791	837	843	836	926	978
TOTAL									
NATIONAL	4,100	4,515	4,820	5,380	5,940	6,250	6,340	6,855	7,305
LOCAL	3,040	3,225	3,330	3,770	3,970	4,020	3,970	4,415	4,655
GRAND TOTAL	7,140	7,740	8,150	9,150	9,910	10,270	10,310	11,270	11,960

Source: Robert J. Coen, McCann-Erickson, Inc., 1986

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1944–1951
(IN MILLIONS OF DOLLARS)

	1944	1945	1946	1947	1948	1949	1950	1951
NEWSPAPERS								
TOTAL	886	919	1,155	1,471	1,745	1,911	2,070	2,251
NATIONAL	191	203	238	323	379	463	518	529
LOCAL	695	716	917	1,148	1,366	1,448	1,552	1,722
MAGAZINES	305	344	405	464	477	458	478	535
FARM PUBLICATIONS	29	32	36	49	56	55	58	64
TELEVISION								
TOTAL	—	—	—	—	—	58	171	332
NETWORK	—	—	—	—	—	30	85	181
SPOT	—	—	—	—	—	9	31	70
LOCAL	—	—	—	—	—	19	55	81
RADIO								
TOTAL	393	424	455	506	562	571	605	606
NETWORK	192	198	200	201	211	203	196	180
SPOT	87	92	98	106	121	123	136	138
LOCAL	114	134	157	199	230	245	273	288
DIRECT MAIL	326	290	334	579	689	756	803	924
BUSINESS PUBLICATIONS	177	204	211	233	251	248	251	292
OUTDOOR								
TOTAL	56	72	86	121	132	131	142	149
NATIONAL	39	50	60	79	89	88	96	101
LOCAL	17	22	26	42	43	43	46	48
MISCELLANEOUS								
TOTAL	528	555	658	837	958	1,022	1,122	1,267
NATIONAL	309	327	368	466	522	557	608	696
LOCAL	219	228	290	371	436	465	514	571
TOTAL								
NATIONAL	1,655	1,740	1,950	2,500	2,795	2,990	3,260	3,710
LOCAL	1,045	1,100	1,390	1,760	2,075	2,220	2,440	2,710
GRAND TOTAL	2,700	2,840	3,340	4,260	4,870	5,210	5,700	6,420

Source Robert J. Coen, McCann-Erickson, Inc. 1986

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1936–1943
(IN MILLIONS OF DOLLARS)

	1936	1937	1938	1939	1940	1941	1942	1943
NEWSPAPERS								
TOTAL	842	870	782	793	815	844	797	899
NATIONAL	166	166	148	152	161	162	141	180
LOCAL	676	704	634	641	654	682	656	719
MAGAZINES	154	181	158	169	186	201	187 259	
FARM PUBLICATIONS	12	19	14	17	19	19	18	25
TELEVISION								
TOTAL	—	—	—	—	—	—	—	—
NETWORK	—	—	—	—	—	—	—	—
SPOT	—	—	—	—	—	—	—	—
LOCAL	—	—	—	—	—	—	—	—
RADIO								
TOTAL	122	165	167	184	215	247	260	314
NETWORK	75	89	89	99	113	125	129	157
SPOT	23	28	34	35	42	52	59	71
LOCAL	24	48	44	50	60	70	72	86
DIRECT MAIL	319	333	324	333	334	353	329	322
BUSINESS PUBLICATIONS	61	70	61	69	76	89	98	142
OUTDOOR								
TOTAL	38	44	43	44	45	53	44	42
NATIONAL	28	33	32	33	34	37	31	29
LOCAL	10	11	11	11	11	16	13	13
MISCELLANEOUS								
TOTAL	382	418	381	401	420	444	427	487
NATIONAL	192	211	200	213	225	242	228	270
LOCAL	190	207	181	188	195	202	199	217
TOTAL								
NATIONAL	1,030	1,130	1,060	1,120	1,190	1,280	1,220	1,455
LOCAL	900	970	870	890	920	970	940	1,035
GRAND TOTAL	1,930	2,100	1,930	2,010	2,110	2,250	2,160	2,490

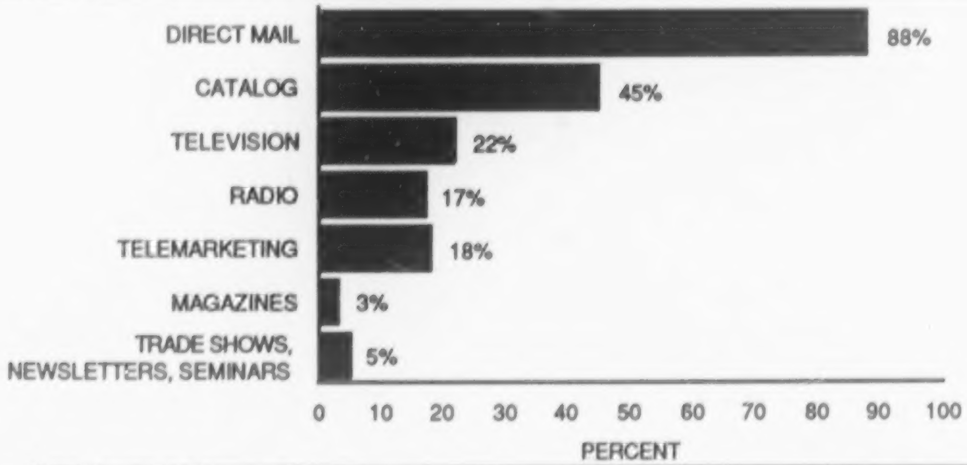
Source Robert J. Coen, McCann-Erickson, Inc. 1986

FORM OF DIRECT MARKETING USED IN BUSINESSES

CRC Information Systems conducted an Industry Trends study by telephone in December 1986 among a cross section of business. The qualified person in each company was derrived from a list chosen from the 1986 Direct Marketing Market Place. A total of 153 interviews were completed.

The purpose of this survey is not to provide projections but to look for trends in telemarketing.

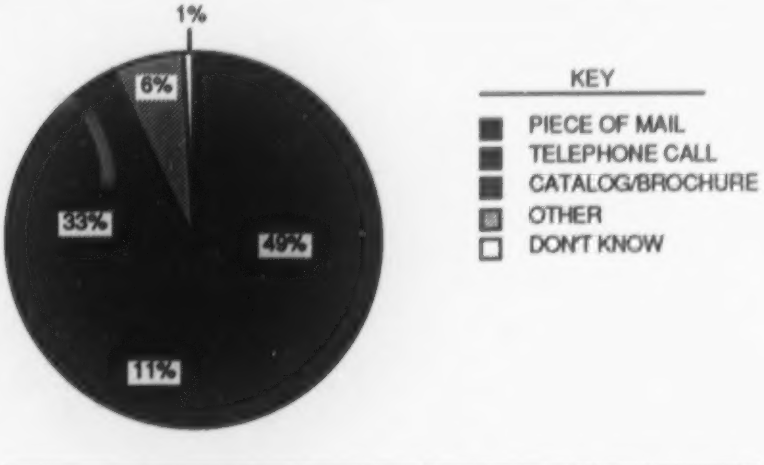
The main finding is that companies in all industries, regardless of size, are either already using telemarketing or beginning to experiment with it.



Source: CRC Information Systems, Dec. 1986

MEANS OF PROMOTION FOR DIRECT MARKETING PURCHASES

The Gallup Organization's indepth study of the Future of Direct Marketing was conducted by telephone interviews during the twelve month span of calendar year 1987. Approximately 1,000 consumers were interviewed each month, generating over 12,000 respondents. The study focused on consumer behavior regarding catalogs and other mail order advertising and consumer attitudes and motivations for purchasing by direct response media.



Source: Gallup Organization, 1987

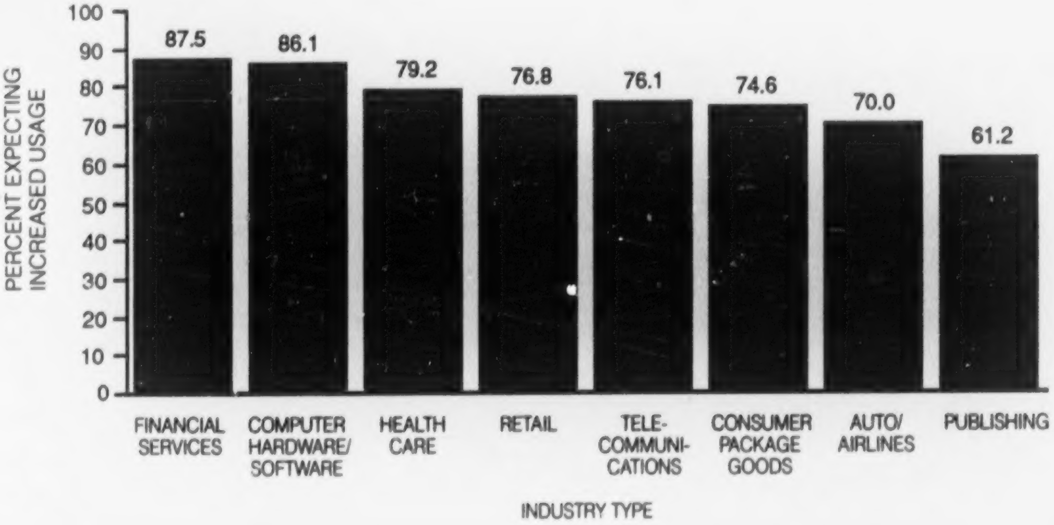
MEDIA USAGE
TODAYS PATTERNS

The DMA Management Survey of Current Direct Marketing Practices and Trends was conducted by mail in August 1986 among 4,550 companies. A 22% response rate was achieved.

MEDIA	% FOR LEAD GENERATION	% TO GENERATE SALES	FOR SALES SUPPORT
DIRECT MAIL	61%	66%	24%
MAGAZINES	53%	43%	27%
CATALOGS	31%	38%	10%
TELEMARKETING	30%	42%	15%
NEWSPAPERS	30%	26%	19%
PKG./STMT. INSERTS	25%	31%	12%
FREE STDG. INSERTS	22%	24%	11%
POINT OF SALE	19%	18%	11%
UHF/VHF TELEVISION	15%	15%	15%
CABLE TV	11%	13%	8%
RADIO	11%	11%	14%

Source: DMA Research Department, Marketing Council, 1986

FUTURE INVOLVEMENT IN DIRECT MARKETING BY INDUSTRY TYPE



Source: DMA Research Department, Marketing Council, 1986

MEDIA

- **DIRECT MAIL**
- **CATALOG**
- **TELEPHONE**
- **PRINT**
- **ELECTRONIC TELEVISION**

• DIRECT MAIL

CONSUMER ATTITUDES

BUYING HABITS

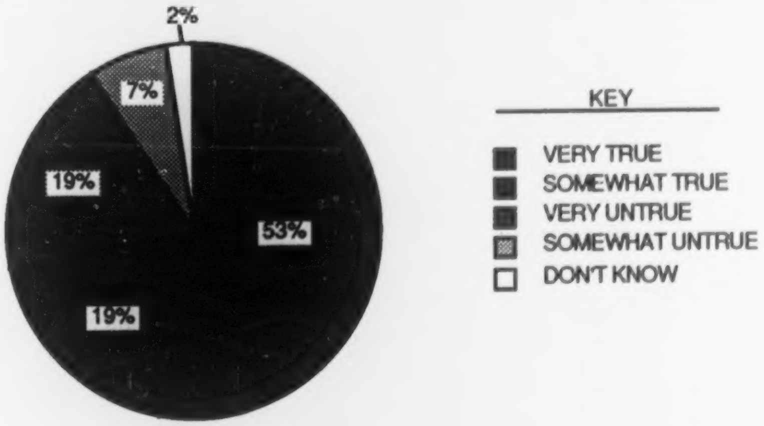
COSTS

TRENDS

"OFFICIAL" AD MAIL A BOTHER?

The Gallup Organization's—Attitudes Toward "Official" Mail Promotions was conducted via personal interviews in November 1987 among 1,003 adults.

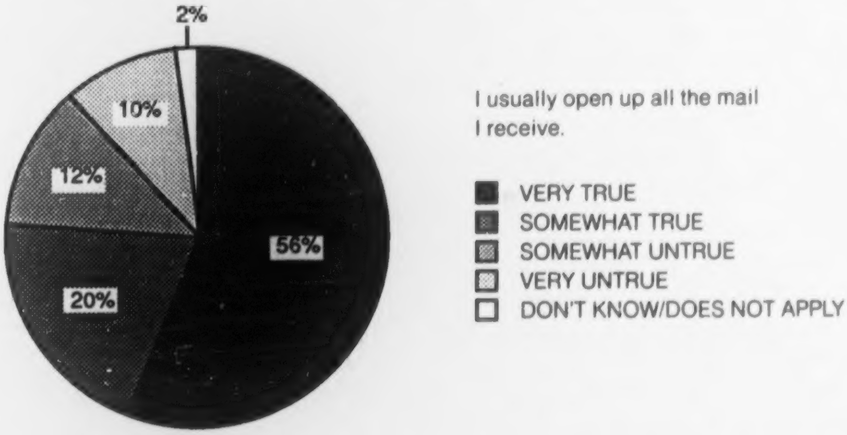
It bothers me when companies who want to sell me their products send me information in official looking envelopes which look like the mail I might get from the government or from a bank.



Source: Target Marketing, Gallup Organization, February 1988

CONSUMER ATTITUDE TOWARD DIRECT MAIL RECEIVED

The Target Marketing Magazine, Gallup Survey—Is Most Mail Read was conducted by personal interview during Oct. 21–28, 1986 among 1,559 adults.


I usually open up all the mail I receive.

Source: Target Marketing Magazine.

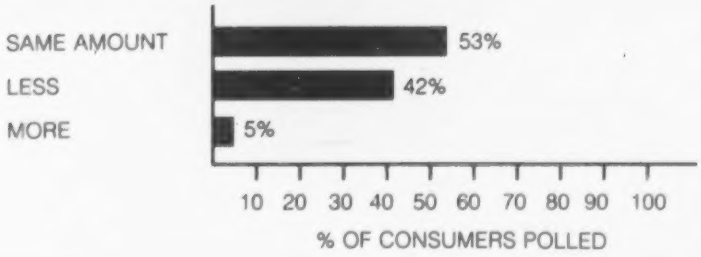
The following charts are from the Simmons Pilot Study conducted in July 1984. The Study was sponsored by Rapp & Collins, Inc., a division of the Doyle Dane Bernbach Group, Inc.

SIMMONS STUDY OF CONSUMER PURCHASING BEHAVIOR

In October 1984, Simmons Market Research Bureau, Inc. released the results of the first-ever study of consumer buying at home by mail or phone. The study of Consumer Purchasing Behavior was conducted in October 1984 among a consumer panel of 19,000 adults using diaries covering goods and services purchased in July 1984 only. It was found that a total of $12 billion dollars of goods and services were purchased at home by mail or phone during this month alone.

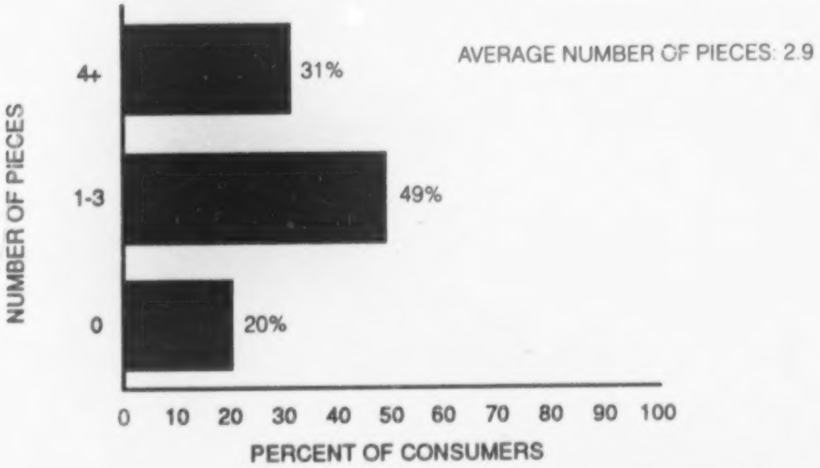
The following charts summarize some of the findings from the 500 page pilot study available from Simmons.

AMOUNT OF ADVERTISING MAIL CONSUMERS WOULD PREFER TO RECEIVE COMPARED WITH AMOUNT THEY CURRENTLY RECEIVE



Source Simmons Market Research Bureau, Inc., 1984
©1984 Doyle Dane Bernbach/New York

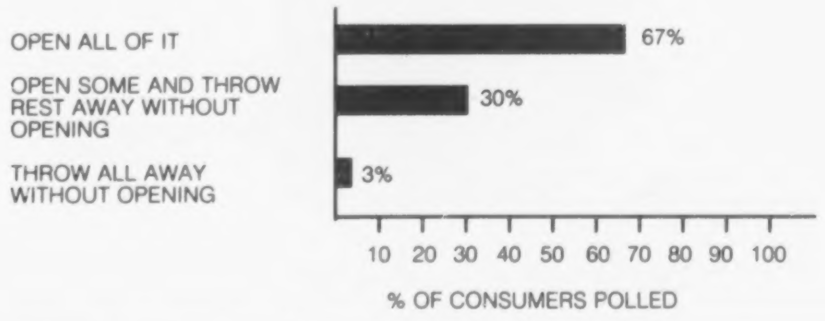
NUMBER OF PIECES OF ADVERTISING MAIL RECEIVED ON A WEEKDAY



Source Simmons Market Bureau, 1984
©1984 Doyle Dane Bernbach/New York

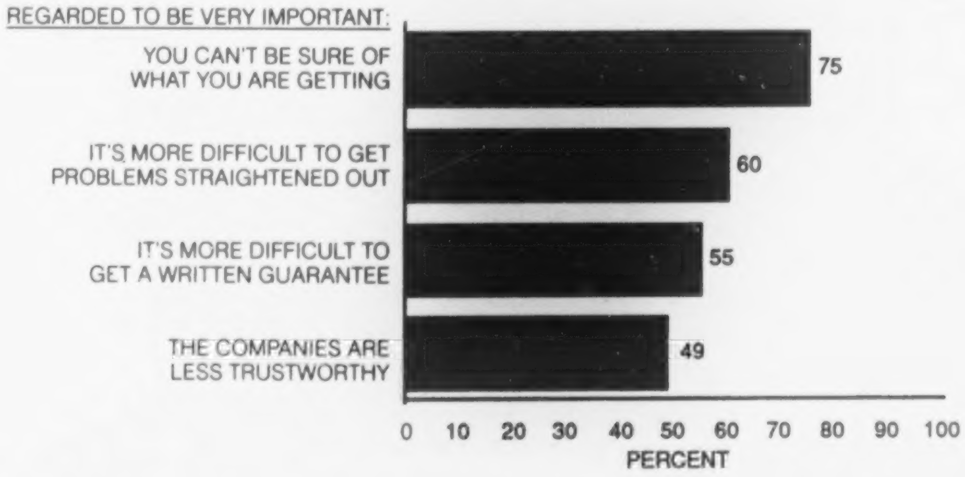
REACTIONS TO ADVERTISING MAIL

Upon receiving mail I;



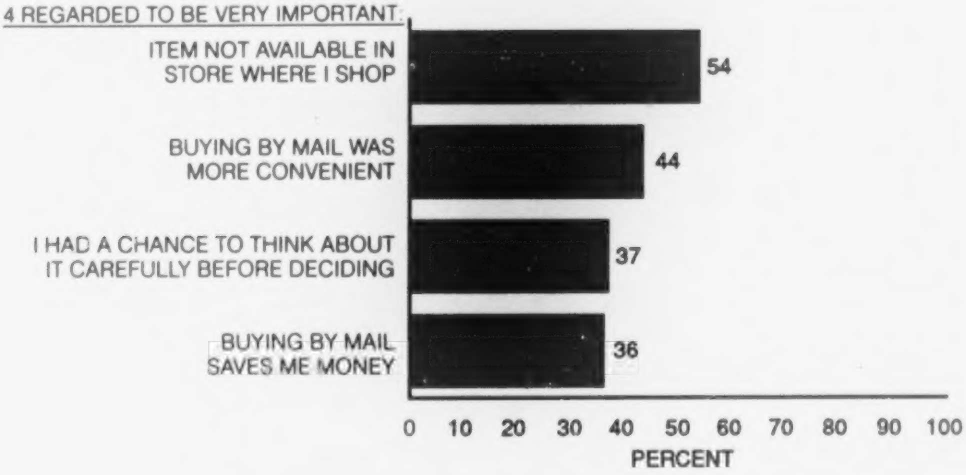
Source: Simmons Market Research Bureau, 1984

REASONS FOR DECIDING NOT TO BUY BY MAIL



Source: Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986

REASONS FOR BUYING BY MAIL

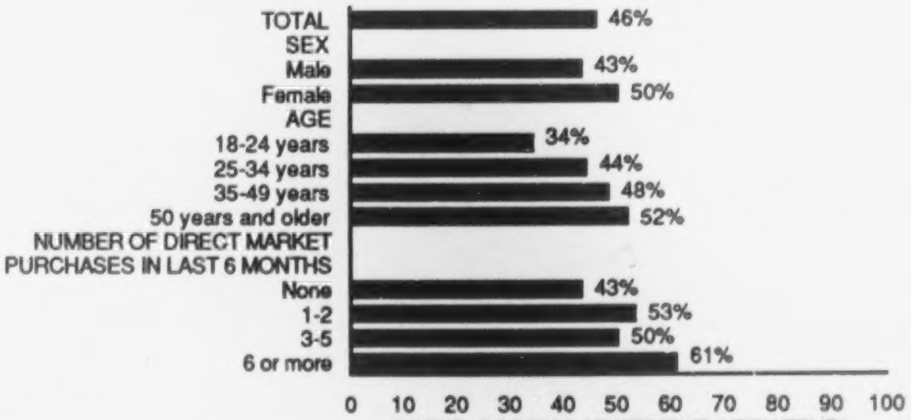


Source: Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986

THE DEMOGRAPHIC VIEWPOINT

The Gallup Organization conducted its Familiarity Breeds Orders Survey by personal interviews during October 21–28, 1986 among 1,559 adults.

I usually buy from companies I have heard of before.



Source: Target Marketing, Gallup Organization August 1987

PERCENT OF TOTAL POPULATION ORDERING VIA DIRECT MARKETING IN THE 10 MONTH PERIOD BETWEEN AUGUST 1986–JUNE 1987

The ~~1987~~ 1988 Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,146 19,251 adults, interviewed between the months of August and June May. The product usage and buying behavior data was gathered through self administered questionnaires and personal interviews.

	TOTAL U.S. (000)	TOTAL U.S. PRODUCT	COOK BOOKS	BOOK CLUB BOOKS	COSMETICS	RECORDS	MAGAZINES	PHOTO PROCESSING	SPORTING GOODS	CLOTHING	VITAMINS
TOTAL ADULTS	173,681	39.1	1.8	5.2	2.5	3.5	12.3	2.5	2.5	12.0	2.2
MALES	82,598	33.4	1.0	4.1	0.9	3.0	10.0	1.8	3.2	7.4	1.8
FEMALES	91,083	44.3	2.6	6.3	4.0	4.0	14.4	3.1	1.8	16.1	2.5
18–24	27,154	34.5	1.0	4.2	2.5	4.2	11.1	2.2	1.9	8.5	1.9
25–34	42,000	42.5	2.2	6.9	2.5	4.5	14.3	3.6	2.9	12.2	1.6
35–44	32,529	44.7	2.4	6.6	3.4	3.7	14.7	2.5	3.4	14.8	2.2
45–54	22,698	41.7	2.0	6.0	3.5	3.6	12.6	2.3	2.6	13.6	2.3
55–64	21,980	39.8	1.7	4.1	1.7	2.9	11.5	2.1	3.0	13.1	3.0
65 OR OLDER	27,319	29.2	1.4	2.3	1.4	1.7	8.0	1.5	0.9	9.5	2.4
GRADUATED COLLEGE	30,437	49.3	2.5	8.2	2.6	4.2	16.7	3.2	3.8	16.2	2.3
ATTENDED COLLEGE	32,211	45.4	2.5	7.5	2.9	3.6	14.9	3.6	3.5	14.2	2.8
GRADUATED HIGH SCHOOL	68,358	39.0	1.8	4.5	2.8	3.8	12.0	2.6	2.3	12.2	2.1
DID NOT GRADUATE HIGH SCHOOL	42,675	27.2	0.9	2.5	1.8	2.6	7.7	1.0	1.2	7.0	1.6
PROFESSIONAL/MANAGER	26,966	48.6	2.2	8.0	2.9	4.2	16.0	2.7	3.8	15.0	2.1
TECHNICAL/CLERICAL/ SALES	34,963	44.5	2.6	7.2	3.5	4.8	14.4	2.6	2.5	14.7	2.3
PRECISION/CRAFT	14,199	36.4	0.8	3.6	1.0	2.8	10.9	2.1	4.7	8.7	1.3
OTHER EMPLOYED	29,036	35.4	1.2	4.0	2.2	3.1	11.3	2.3	2.1	10.4	2.1
SINGLE	37,160	34.5	0.9	4.4	1.9	3.8	10.9	1.8	1.8	9.2	1.9
MARRIED	105,311	42.0	2.2	5.9	2.6	3.4	13.4	2.9	2.9	13.6	2.2
DIVORCED, SEPARATED, WIDOWED	31,210	34.7	1.8	3.9	3.1	3.8	10.2	1.9	2.0	9.8	2.1
PARENTS	58,618	43.5	2.4	7.3	3.4	4.1	14.4	3.3	3.0	13.5	1.6
NORTHEAST	39,000	36.4	2.0	4.7	2.3	3.1	10.0	2.5	2.4	11.7	2.3
EAST CENTRAL	24,545	41.6	1.7	5.5	2.3	4.0	12.8	2.8	3.2	14.1	2.4
WEST CENTRAL	28,615	45.5	1.7	5.3	2.6	3.5	14.7	2.3	3.2	15.2	3.1
SOUTH	51,567	35.7	1.8	5.3	2.5	2.9	11.1	2.4	2.2	10.8	1.2
PACIFIC	29,953	40.4	1.8	5.6	3.0	4.8	14.7	2.5	2.0	9.6	2.5
METRO CENTRAL CITY	53,046	37.0	1.7	5.6	2.4	3.8	12.1	2.0	2.1	11.1	1.9
METRO SUBURBAN	80,473	39.9	2.2	5.3	2.6	3.6	12.4	2.4	2.6	11.4	2.3
NON-METRO	40,161	40.3	1.3	4.6	2.7	3.1	12.2	3.2	2.8	14.5	2.3
HOUSEHOLD INCOME											
$60,000 OR MORE	16,548	48.4	2.5	9.2	3.9	4.7	17.2	2.4	3.7	14.3	2.4
$50,000 OR MORE	26,626	48.7	2.5	8.4	3.2	4.9	15.4	2.5	4.3	14.4	2.2
$40,000 OR MORE	47,419	47.0	2.3	7.4	3.1	4.1	15.2	2.5	4.1	14.4	2.6
$30,000 OR MORE	76,841	46.2	2.3	7.2	2.9	4.0	14.9	2.7	3.7	14.9	2.5
$30,000–$39,999	29,422	45.0	2.4	6.8	2.6	3.9	14.4	2.9	2.9	15.7	2.3
$20,000–$29,999	35,594	40.6	1.9	5.1	2.3	3.8	13.8	2.9	2.8	11.5	1.9
$10,000–$19,999	36,140	32.5	1.3	3.4	2.2	2.9	9.7	2.5	1.0	10.9	1.9
UNDER $10,000	25,107	24.8	1.0	2.3	2.2	2.5	6.1	1.1	0.7	5.4	1.8
HOUSEHOLD SIZE											
1 PERSON	21,267	31.8	1.0	3.8	2.0	2.7	9.6	1.4	1.5	9.7	2.2
2 PEOPLE	54,138	38.6	2.3	4.7	2.4	3.5	12.2	2.1	2.4	12.8	2.7
3 OR 4 PEOPLE	70,725	41.7	1.9	5.8	2.8	3.9	13.4	2.9	2.8	12.7	1.7
5 OR MORE PEOPLE	27,550	39.1	1.5	5.9	2.8	3.2	11.7	2.9	2.9	10.5	2.1
CHILDREN											
NO CHILD IN HOUSEHOLD	101,867	37.4	1.7	4.4	2.1	3.4	11.5	2.0	2.3	11.7	2.4
CHILDREN UNDER 2 YEARS	14,740	44.0	2.6	8.9	3.4	5.2	14.8	5.2	3.1	11.0	1.3
2–5 YEARS	25,443	42.9	2.0	7.4	3.0	3.7	14.2	3.7	3.0	12.4	1.9
6–11 YEARS	31,478	41.7	2.0	6.6	3.3	3.5	13.7	3.1	2.3	13.8	1.6
12–17 YEARS	33,498	40.5	2.0	5.7	3.4	3.5	13.3	2.3	3.1	12.5	1.8
RESIDENCE OWNED	119,593	42.3	2.0	5.5	2.6	3.4	13.3	2.6	2.9	13.6	2.6
VALUE $60,000 OR MORE	65,738	45.0	2.4	6.3	2.5	3.7	14.0	2.7	3.4	14.1	2.6
VALUE LESS THAN $60,000	53,855	39.1	1.5	4.6	2.8	3.2	12.4	2.6	2.4	13.0	2.6

Source: Simmons Market Research Bureau, 1987

PERCENT OF TOTAL POPULATION ORDERING VIA DIRECT MARKETING IN THE 10 MONTH PERIOD BETWEEN AUGUST 1986–JUNE 1987 (cont)

	NEEDLECRAFT KITS, SUPPLIES	TOYS	COOKWARE, KITCHEN ACCESSORIES	TREES, PLANTS, SEEDS	GREETING CARDS	OTHER BOOKS	AUTO ACCESSORIES	SHOES & BOOTS	AUDIO CASSETTE TAPES	TRAVEL/ TOUR INFORMATION	CREDIT CARDS
TOTAL ADULTS	2.1	3.8	2.5	3.5	2.4	3.5	2.2	3.9	3.9	3.9	3.4
MALES	0.8	1.9	1.3	2.8	1.3	2.9	2.6	2.9	3.5	3.1	3.4
FEMALES	3.2	5.4	3.5	4.1	3.4	4.1	1.8	4.8	4.2	4.7	3.4
18–24	1.3	2.5	1.3	1.7	1.3	2.3	1.9	3.2	3.5	2.9	3.2
25–34	2.2	5.8	2.6	3.4	2.6	3.3	2.1	3.3	3.6	4.5	4.2
35–44	2.2	5.0	3.0	4.6	2.8	4.4	2.5	4.0	5.3	4.4	4.3
45–54	2.0	3.7	2.9	3.9	2.4	4.3	2.6	4.7	3.6	4.0	3.6
55–64	2.3	2.3	3.3	4.7	2.7	3.8	2.3	4.9	4.9	4.9	2.8
65 OR OLDER	2.4	1.7	1.9	2.8	2.2	3.0	1.6	3.8	2.2	2.5	1.4
GRADUATED COLLEGE	2.7	5.0	3.4	4.8	3.8	5.5	2.7	5.0	5.4	6.6	5.5
ATTENDED COLLEGE	2.7	4.1	2.4	4.8	3.1	4.2	2.2	4.1	4.2	5.7	4.8
GRADUATED HIGH SCHOOL	1.9	3.7	2.5	3.2	2.1	3.3	2.3	3.9	4.1	3.3	3.1
DID NOT GRADUATE HIGH SCHOOL	1.4	2.7	1.8	2.0	1.4	1.9	1.5	2.8	2.2	1.7	1.1
PROFESSIONAL/MANAGER	2.5	4.8	3.4	5.0	3.5	4.8	2.9	4.9	5.9	6.4	5.3
TECHNICAL/CLERICAL/ SALES	2.0	4.6	2.3	3.0	2.9	3.4	2.1	3.8	4.5	4.9	5.0
PRECISION/CRAFT	1.4	2.9	1.9	3.4	0.9	3.3	3.1	3.1	3.3	3.5	2.7
OTHER EMPLOYED	1.2	2.9	2.0	3.2	1.5	3.2	2.2	3.9	3.2	2.3	3.4
SINGLE	1.2	1.8	1.7	1.7	1.8	2.7	2.0	3.7	3.1	3.1	3.7
MARRIED	2.5	4.8	2.7	4.3	2.6	3.8	2.2	4.1	4.1	4.4	3.4
DIVORCED, SEPARATED, WIDOWED	1.8	2.7	2.7	2.8	2.4	3.3	2.2	3.3	4.1	3.2	2.8
PARENTS	2.1	7.0	2.6	4.1	3.0	3.9	2.1	3.8	4.5	3.7	3.7
NORTHEAST	2.1	3.2	2.2	3.7	2.0	3.7	2.2	3.8	2.3	4.0	3.0
EAST CENTRAL	2.6	5.1	2.8	3.5	3.2	3.7	2.2	4.3	4.9	4.6	3.3
WEST CENTRAL	2.0	3.8	2.3	5.5	3.6	3.8	1.9	4.0	4.2	5.0	4.1
SOUTH	1.8	3.4	2.3	2.5	1.3	2.9	2.4	4.0	3.7	3.0	3.1
PACIFIC	2.3	4.1	3.0	3.0	2.9	3.8	1.9	3.3	4.9	3.9	3.6
METRO CENTRAL CITY	1.6	3.5	2.5	2.4	2.6	3.2	1.9	2.8	3.6	3.5	3.7
METRO SUBURBAN	2.3	3.7	2.4	3.6	2.3	3.9	2.3	3.8	3.7	4.3	3.5
NON-METRO	2.2	4.2	2.7	4.7	2.4	3.0	2.2	5.5	4.6	3.7	2.5
HOUSEHOLD INCOME											
$60,000 OR MORE	2.4	4.6	3.2	3.9	3.5	3.7	3.6	5.0	5.5	6.4	5.4
$50,000 OR MORE	2.4	4.6	2.8	4.3	3.1	4.3	3.1	4.8	5.1	6.9	5.1
$40,000 OR MORE	2.4	4.3	2.7	4.4	2.8	4.5	2.7	4.4	4.9	6.2	4.9
$30,000 OR MORE	2.4	4.5	2.8	4.3	2.7	4.4	2.7	4.2	4.9	5.8	4.5
$30,000–$39,999	2.5	4.9	3.0	4.2	2.6	4.4	2.7	3.9	4.9	5.1	3.9
$20,000–$29,999	2.1	3.9	2.6	4.0	2.7	3.6	2.4	3.5	4.1	3.8	3.8
$10,000–$19,999	1.7	3.1	2.1	2.4	2.0	2.7	1.4	4.4	2.8	2.1	2.2
UNDER $10,000	1.4	2.5	1.7	1.8	1.5	1.6	1.4	2.8	1.8	1.0	0.9
HOUSEHOLD SIZE											
1 PERSON	1.7	1.1	2.4	2.1	2.4	3.2	1.4	3.9	2.9	3.0	2.6
2 PEOPLE	2.8	2.4	2.6	3.9	1.9	3.9	2.2	4.0	3.8	4.4	3.1
3 OR 4 PEOPLE	2.1	5.2	2.5	3.7	2.8	3.5	2.5	3.7	4.2	4.1	3.6
5 OR MORE PEOPLE	1.1	4.8	2.1	3.2	2.4	3.2	2.0	4.2	3.9	3.3	3.8
CHILDREN											
NO CHILD IN HOUSEHOLD	2.2	2.1	2.6	3.3	2.2	3.4	2.3	4.0	3.7	4.2	3.2
CHILDREN UNDER 2 YEARS	2.0	9.4	2.6	4.4	3.0	3.3	1.9	3.5	3.1	3.1	4.0
2–5 YEARS	2.1	9.6	2.7	4.1	2.9	2.8	1.7	3.9	4.1	3.5	4.0
6–11 YEARS	1.9	6.3	2.5	3.9	3.0	4.2	2.0	4.1	4.2	3.7	3.8
12–17 YEARS	1.4	3.7	2.2	3.3	2.2	3.4	2.3	4.0	4.5	3.4	3.4
RESIDENCE OWNED	2.3	4.4	2.7	4.5	2.8	4.1	2.6	4.6	4.2	4.5	3.5
VALUE $60,000 OR MORE	2.4	4.4	2.8	4.6	3.2	4.5	2.7	4.6	4.4	5.5	4.1
VALUE LESS THAN $60,000	2.1	4.4	2.5	4.3	2.4	3.5	2.5	4.6	4.0	3.2	2.8

SEASONALITY STUDY/UPDATE #12—APRIL 1988
PREPARED BY THE KLEID COMPANY, INC.

The first Kleid Company Seasonality Study was issued in April 1978, covering the 12-month period from March 1977–February 1978. The primary objective was to bring together information on a month-by-month basis to track seasonal patterns. While it may not be absolute, it does reveal trends and is directional.

One comment that surfaces from time to time is that this study is based on volume and not response. True—but not true. First, most companies schedule their mailings within the time frames which historically have been most responsive. Of course there can be variations to this theme. But one decision point based on sound financial principles is critical; no company will continue to mail in volume in a season that dramatically increases the cost of doing business.

Secondly, while this analysis is based on volume, it is enhanced by a comparison to actual response. This correlation covers a representative sampling of companies within each product category.

Another thought: for multi-product companies a seasonality performance study by product could be useful in allocating mail dates. It is possible that a successful product with a high R.O.I. can continue to generate an acceptable profit even if assigned a low priority mail date. Conversely, a new product which does not yet contribute to profit could be assigned a high priority mail date in order to accelerate the R.O.I.

Source: Rose Harper/President, The Kleid Company, Inc., 1988

	SUMMARY OF FIVE YEAR AVERAGES FOR THE YEARS THROUGH:			
	1986–87		1987–88	
	TOP MONTH	#2 MONTH	TOP MONTH	#2 MONTH
			DECEMBER	JANUARY
BUSINESS & FINANCE	**DECEMBER**	JANUARY	**DECEMBER**	JUNE
CULTURAL READING	**DECEMBER**	JUNE	**JUNE**	DECEMBER
GENERAL READING	**DECEMBER**	JUNE	**MARCH**	DECEMBER
SELF-IMPROVEMENT	**DECEMBER**	SEPT./JAN.	**DECEMBER**	JULY
HOME INTEREST	**DECEMBER**	JULY	**DEC./JUNE**	JANUARY
PARENTS & CHILDREN	**JULY**	JANUARY	**DECEMBER**	SEPTEMBER
HOBBIES/RELATED SUBJECTS	**DECEMBER**	JULY	**JUNE**	DECEMBER
ENTERTAINMENT	**DECEMBER**	JANUARY	**DECEMBER**	JULY
EDUCATIONAL/TECHNICAL/PROF.	**APRIL**	JANUARY	**DECEMBER**	JANUARY
FUND RAISING	**FEBRUARY**	SEPT./NOV.	**NOVEMBER**	FEBRUARY

Source: The Kleid Company, Inc., 1988

SEASONALITY STUDY
CATEGORY: BUSINESS/FINANCE
MONTHLY % OF TOTAL MAILINGS

1988 Ranking		1983–84	1984–85	1985–86	1986–87	1987–88	5-YEAR AVERAGE
	MARCH	8.1	4.7	6.4	6.9	6.9	6.6
	APRIL	5.7	7.5	7.0	5.9	7.3	6.7
3.	MAY	6.3	4.8	6.2	6.8	10.7	7.0
	JUNE	9.1	11.4	11.2	12.1	7.6	10.3
	JULY	9.1	6.7	5.4	5.8	5.4	6.5
	AUGUST	4.5	5.8	6.5	5.4	6.9	5.8
4.	SEPTEMBER	7.4	6.5	7.2	8.5	8.6	7.6
	OCTOBER	10.6	9.5	8.4	9.5	7.4	9.1
	NOVEMBER	4.7	6.7	6.3	3.7	5.8	5.4
1.	DECEMBER	14.7	18.3	17.9	18.0	17.4	17.3
2.	JANUARY	13.8	8.6	11.2	11.3	12.3	11.4
	FEBRUARY	6.0	9.5	6.3	6.1	3.7	6.3
	TOTAL:	100%	100%	100%	100%	100%	100%

December is still the leader followed by January. But May overtook June by a pretty hefty margin. These three months represent 40.4% of the total.

SEASONALITY STUDY
CATEGORY: CULTURAL READING
MONTHLY % OF TOTAL MAILINGS

1988 Ranking		1983–84	1984–85	1985–86	1986–87	1987–88	5-YEAR AVERAGE
	MARCH	4.1	4.2	5.8	6.1	4.7	5.0
	APRIL	6.8	1.5	1.3	1.2	1.3	2.4
	MAY	2.2	1.8	1.5	1.0	.5	1.4
2.	JUNE	14.6	13.6	13.4	13.5	23.4	15.7
	JULY	7.2	9.0	9.8	7.0	6.5	7.9
4.	AUGUST	4.4	4.2	9.2	12.7	2.5	6.6
	SEPTEMBER	10.1	10.5	6.4	5.2	8.2	8.1
3.	OCTOBER	7.0	7.1	8.8	13.5	12.0	9.7
	NOVEMBER	3.5	7.0	6.6	3.0	5.6	5.1
1.	DECEMBER	25.9	22.6	27.0	28.8	27.4	26.3
	JANUARY	10.7	10.5	7.5	4.8	6.8	8.1
	FEBRUARY	3.5	8.0	2.7	3.2	1.1	3.7
	TOTAL:	100%	100%	100%	100%	100%	100%

December is still #1—Followed by June which took an enormous step forward! October was in third place and August stopped its upward trend.

Source: The Kleid Company, Inc., 1988

SEASONALITY STUDY
CATEGORY: GENERAL READING
MONTHLY % OF TOTAL MAILINGS

1988 Ranking		1983–84	1984–85	1985–86	1986–87	1987–88	5-YEAR AVERAGE
	MARCH	10.1	4.8	8.4	6.0	4.9	6.8
	APRIL	3.6	7.1	1.2	3.2	3.2	3.7
	MAY	5.9	10.1	7.4	2.1	1.3	5.4
1.	JUNE	11.3	16.0	15.4	22.1	25.3	18.0
	JULY	13.3	12.3	13.9	15.1	5.4	12.0
4.	AUGUST	2.8	2.3	5.1	7.6	8.1	5.2
	SEPTEMBER	11.3	8.8	11.4	4.7	5.2	8.3
	OCTOBER	3.0	1.7	3.4	4.3	4.1	3.3
3.	NOVEMBER	1.9	2.0	2.8	8.3	11.3	5.3
2.	DECEMBER	25.8	20.4	22.8	18.6	18.1	21.1
	JANUARY	7.0	12.0	6.2	3.9	6.7	7.1
	FEBRUARY	4.0	2.5	2.0	4.1	6.4	3.8
	TOTAL:	100%	100%	100%	100%	100%	100%

June continues a good upward trend. December is stabilizing as the second best month. July took a deep fall, while November came out in third place.

SEASONALITY STUDY
CATEGORY: SELF-IMPROVEMENT
MONTHLY % OF TOTAL MAILINGS

1988 Ranking		1983–84	1984–85	1985–86	1986–87	1987–88	5-YEAR AVERAGE
1.	MARCH	6.7	4.8	6.1	5.0	12.9	7.5
	APRIL	5.7	8.2	8.5	10.7	8.0	11.2
	MAY	5.1	1.8	5.9	5.4	8.0	6.8
3.	JUNE	10.8	14.2	4.9	8.0	11.6	7.8
	JULY	2.6	14.9	8.1	12.2	3.0	9.1
4.	AUGUST	11.0	3.6	3.6	10.9	10.9	8.7
	SEPTEMBER	11.6	11.2	9.7	11.2	10.7	10.9
	OCTOBER	7.0	6.3	6.1	3.1	6.8	7.6
	NOVEMBER	1.1	1.4	1.4	.6	2.8	1.7
2.	DECEMBER	14.9	19.5	32.7	24.3	11.7	13.0
	JANUARY	14.0	10.1	11.1	6.4	7.8	12.0
	FEBRUARY	9.5	4.0	1.9	2.2	5.8	3.7
	TOTAL:	100%	100%	100%	100%	100%	100%

The leader is March by a relatively small margin over December and June.

Source: The Kleid Company, Inc., 1988

SEASONALITY STUDY
CATEGORY: HOME INTEREST
MONTHLY % OF TOTAL MAILINGS

1988 Ranking		1983–84	1984–85	1985–86	1986–87	1987–88	5-YEAR AVERAGE
	MARCH	4.8	7.9	5.8	4.2	6.0	5.7
	APRIL	3.3	6.0	7.3	6.2	5.1	5.6
	MAY	2.8	1.8	1.5	2.8	3.1	2.4
1.	JUNE	10.0	11.3	10.8	18.6	13.8	12.9
	JULY	15.2	20.0	21.1	7.8	7.4	14.3
4.	AUGUST	9.3	6.3	6.4	8.6	10.0	8.1
3.	SEPTEMBER	12.8	6.4	5.9	4.7	10.3	8.0
	OCTOBER	10.2	12.2	6.2	11.3	9.9	10.0
	NOVEMBER	1.1	3.3	3.7	2.0	2.3	2.5
1.	DECEMBER	16.0	11.7	14.6	16.9	13.8	14.6
2.	JANUARY	10.3	10.0	10.7	12.8	13.3	11.4
	FEBRUARY	4.2	3.1	6.0	4.1	5.0	4.5
	TOTAL:	100%	100%	100%	100%	100%	100%

December and June are tied for first—closely followed by January.

SEASONALITY STUDY
CATEGORY: PARENTS AND CHILDREN
MONTHLY % OF TOTAL MAILINGS

1988 Ranking		1983–84	1984–85	1985–86	1986–87	1987–88	5-YEAR AVERAGE
	MARCH	2.4	3.0	4.2	4.3	3.2	3.4
	APRIL	1.0	.8	3.1	4.3	6.7	3.2
	MAY	2.2	2.7	2.4	4.3	3.9	3.1
4.	JUNE	5.7	8.6	5.5	5.9	10.5	7.2
3.	JULY	27.1	20.8	18.5	14.5	12.2	18.6
	AUGUST	10.5	12.1	13.9	10.7	7.8	11.0
2.	SEPTEMBER	5.7	7.9	5.9	11.1	13.3	8.8
	OCTOBER	1.0	1.6	7.1	3.5	7.8	4.2
	NOVEMBER	2.5	2.6	2.8	2.1	1.5	2.3
1.	DECEMBER	11.7	12.2	10.3	18.7	14.4	13.5
	JANUARY	21.4	14.2	15.0	11.1	10.2	14.4
	FEBRUARY	8.8	13.5	11.3	9.5	8.5	10.3
	TOTAL:	100%	100%	100%	100%	100%	100%

December is number one. September came in second—followed by July. June took a big step forward.

Source: The Kleid Company, Inc., 1988

SEASONALITY STUDY CATEGORY: HOBBIES—RELATED SUBJECTS

MONTHLY % OF TOTAL MAILINGS

1988 Ranking		1983–84	1984–85	1985–86	1986–87	1987–88	5-YEAR AVERAGE
	MARCH	3.9	8.5	6.3	3.5	4.4	5.3
	APRIL	2.2	1.6	3.6	5.2	5.0	3.5
	MAY	2.2	2.4	3.4	3.0	3.7	2.9
1.	JUNE	5.7	12.3	16.8	17.5	22.1	14.9
	JULY	20.2	16.1	16.3	15.0	2.3	14.0
	AUGUST	8.9	10.5	5.6	6.8	5.7	7.5
	SEPTEMBER	5.1	5.6	6.2	5.0	5.5	5.5
	OCTOBER	8.6	5.3	5.0	7.8	4.0	6.1
4.	NOVEMBER	1.0	.5	1.5	1.0	8.2	2.5
2.	DECEMBER	23.9	20.1	18.8	24.7	21.6	21.8
	JANUARY	12.0	8.8	7.6	4.6	7.6	8.1
3.	FEBRUARY	6.3	8.3	8.9	5.9	9.9	7.9
	TOTAL:	100%	100%	100%	100%	100%	100%

June replaced December as #1, but not by much. The other months remained rather static except for November, January and February.

SEASONALITY STUDY CATEGORY: ENTERTAINMENT

MONTHLY % OF TOTAL MAILINGS

1988 Ranking		1983–84	1984–85	1985–86	1986–87	1987–88	5-YEAR AVERAGE
	MARCH	3.2	9.3	8.4	6.8	7.9	7.1
	APRIL	4.1	3.1	5.9	4.7	5.3	4.6
	MAY	3.9	5.0	1.7	2.2	2.7	3.1
	JUNE	4.8	7.8	4.1	10.2	8.3	7.1
2.	JULY	10.1	9.8	12.0	9.1	14.1	11.0
	AUGUST	8.2	8.2	8.4	8.1	6.3	7.8
	SEPTEMBER	9.9	8.3	14.0	6.2	5.4	8.8
4.	OCTOBER	10.1	6.9	4.6	7.9	9.3	7.8
	NOVEMBER	6.0	1.7	2.7	3.9	3.2	3.5
1.	DECEMBER	23.7	21.6	14.4	19.7	16.1	19.1
3.	JANUARY	12.5	9.8	13.5	9.6	13.7	11.8
	FEBRUARY	3.5	8.5	10.3	11.6	7.7	8.3
	TOTAL:	100%	100%	100%	100%	100%	100%

December dropped, but is still in first place followed by July and January.

Source: The Kleid Company, Inc., 1988

SEASONALITY STUDY
CATEGORY: EDUCATIONAL, TECHNICAL, PROFESSIONAL
MONTHLY % OF TOTAL MAILINGS

1988 Ranking		1983–84	1984–85	1985–86	1986–87	1987–88	5-YEAR AVERAGE
	MARCH	6.6	8.5	6.4	4.4	2.1	5.6
4.	APRIL	3.9	13.5	40.9	28.7	8.4	19.1
	MAY	5.6	8.1	3.8	4.0	3.0	4.9
	JUNE	3.5	15.9	5.6	2.8	7.1	7.0
3.	JULY	9.4	5.6	3.2	2.8	11.7	6.5
	AUGUST	11.4	4.5	6.3	4.3	5.6	6.4
	SEPTEMBER	10.9	7.8	8.9	3.7	3.5	7.0
	OCTOBER	10.7	8.5	3.7	3.3	6.6	6.6
	NOVEMBER	4.0	5.5	4.2	1.0	3.9	3.7
1.	DECEMBER	14.6	15.0	9.9	7.7	29.5	15.3
2.	JANUARY	12.9	3.3	4.3	32.4	14.9	13.6
	FEBRUARY	6.5	3.8	2.8	4.9	3.7	4.3
	TOTAL:	100%	100%	100%	100%	100%	100%

December and January were #1 & #2. April continued its downslide.

SEASONALITY STUDY
CATEGORY: FUND RAISING
MONTHLY % OF TOTAL MAILINGS

1988 Ranking		1983–84	1984–85	1985–86	1986–87	1987–88	5-YEAR AVERAGE
	MARCH	5.9	6.3	10.5	11.8	8.5	8.6
	APRIL	5.5	9.2	4.9	3.3	5.9	5.7
	MAY	3.6	5.6	5.1	3.6	5.0	4.6
	JUNE	6.9	9.1	2.5	5.0	2.0	5.1
	JULY	1.6	2.7	7.3	3.6	4.3	3.9
3.	AUGUST	9.4	10.0	7.9	9.4	13.3	10.0
	SEPTEMBER	8.3	12.7	13.0	10.6	7.3	10.4
4.	OCTOBER	13.2	11.5	8.8	9.5	9.3	10.5
1.	NOVEMBER	12.0	9.9	10.5	16.6	19.0	13.6
	DECEMBER	14.0	4.9	6.7	6.7	4.1	7.3
	JANUARY	5.6	8.2	5.3	6.0	5.6	6.1
2.	FEBRUARY	14.0	9.9	17.5	13.9	15.7	14.2
	TOTAL:	100%	100%	100%	100%	100%	100%

November continued on the up-side to become #1. February was #2 with August #3.

Source: The Kleid Company, Inc., 1988

SOURCES OF OFFERS FOR ITEMS ORDERED BY MAIL IN LAST 12 MONTHS

	Total U.S. '000	Ordered by Mail in Last 12 Months '000	%	Magazines '000	%	Newspapers '000	%
Total Adults	173681	53363	30.7	18492	10.6	5978	3.4
Males	82598	20973	25.4	7646	9.3	1990	2.4
Females	91083	32390	35.6	10846	11.9	3988	4.4
18–24	27154	7094	26.1	2677	9.9	681	2.5
25–34	42000	13888	33.1	5101	12.1	1367	3.3
35–44	32529	11626	35.7	4064	12.5	1320	4.1
45–54	22698	7381	32.5	2500	11.0	829	3.7
55–64	21980	7007	31.9	2206	10.0	957	4.4
65 and older	27319	6366	23.3	1945	7.1	825	3.0
Graduated College	30437	11823	38.8	4421	14.5	1408	4.6
Attended College	32211	11557	35.9	3958	12.3	1174	3.6
Graduated High School	68358	20978	30.7	6870	10.1	2269	3.3
Did Not Graduate High School	42675	9006	21.1	3244	7.6	1129	2.6
Professional/Manager	26966	10258	38.0	3908	14.5	991	3.7
Tech./Clerical/Sales	34963	11844	33.9	3688	10.5	1395	4.0
Precision Craft	14199	3975	28.0	1304	9.2	*287	2.0
Other Employed	29036	8329	28.7	2943	10.1	758	2.6
Single	37160	9662	26.0	3596	9.7	1009	2.7
Married	105311	34766	33.0	11741	11.1	3761	3.6
Divorced/Separated/Widowed	31210	8934	28.6	3155	10.1	1208	3.9
Parents	58618	20144	34.4	7302	12.5	1902	3.2
Northeast	39000	11008	28.2	3225	8.3	1268	3.3
East Central	24545	8106	33.0	2883	11.7	938	3.8
West Central	28615	10416	36.4	3222	11.3	911	3.2
South	51567	14077	27.3	5433	10.5	1612	3.1
Pacific	29953	9756	32.6	3730	12.5	1248	4.2
Metro Central City	53046	15391	29.0	5856	11.0	1716	3.2
Metro Suburban	80473	24966	31.0	8294	10.3	2897	3.6
Non Metro	40161	13006	32.4	4343	10.8	1365	3.4
Household $60,000 or more	16548	6242	37.7	2293	13.9	804	4.9
$50,000 or more	26626	9884	37.1	3704	13.9	1107	4.2
$40,000 or more	47419	17388	36.7	6354	13.4	2190	4.6
$30,000 or more	76841	27747	36.1	9627	12.5	3202	4.2
$30,000–$39,999	29422	10360	35.2	3274	11.1	1012	3.4
$20,000–$29,999	35594	11166	31.4	3855	10.8	1077	3.0
$10,000–$19,999	36140	9582	26.5	3250	9.0	959	2.7
Under $10,000	25107	4869	19.4	1760	7.0	740	2.9
Household Size 1 Person	21267	5447	25.6	1826	8.6	750	3.5
2 People	54138	17042	31.5	5498	10.2	1958	3.6
3 or 4 People	70725	22502	31.8	8235	11.6	2471	3.5
5 or More People	27550	8373	30.4	2934	10.6	*799	2.9
No Child in Household	101867	30136	29.6	10120	9.9	3667	3.6
Child(ren) under 2 years	14740	5270	35.8	2278	15.5	*490	3.3
2–5 years	25443	8387	33.0	3144	12.4	844	3.3
6–11 years	31478	10259	32.6	3517	11.2	1020	3.2
12–17 years	33498	10470	31.3	3684	11.0	1089	3.3
Residence owned	119593	39601	33.1	13334	11.1	4479	3.7
Value: $60,000 or more	65738	22598	34.4	7810	11.9	2857	4.3
Value: Under $60,000	53855	17003	31.6	5524	10.3	1622	3.0

*Projection relatively unstable because of sample base—use with caution.

Source: Simmons Market Research Bureau, Inc. 1987

DIRECT MAIL/BUYING HABITS

	Television		Catalogs		Direct Mail Pieces (not catalogs)	
	'000	%	'000	%	'000	%
Total Adults	7361	4.2	32957	19.0	15667	9.0
Males	2961	3.6	12407	15.0	5926	7.2
Females	4400	4.8	20550	22.6	9741	10.7
18–24	1141	4.2	3835	14.1	1958	7.2
25–34	1927	4.6	8651	20.6	4205	10.0
35–44	1491	4.6	7386	22.7	3369	10.4
45–54	960	4.2	4813	21.2	2233	9.8
55–64	1000	4.5	4398	20.0	2160	9.8
65 and older	843	3.1	3875	14.2	1742	6.4
Graduated College	1204	4.0	8289	27.2	3568	11.7
Attended College	1563	4.9	7494	23.3	3404	10.6
Graduated High School	3319	4.9	12725	18.6	6198	9.1
Did Not Graduate High School	1275	3.0	4449	10.4	2497	5.9
Professional/Manager	1134	4.2	7013	26.0	3258	12.1
Tech./Clerical/Sales	1878	5.4	7567	21.6	3380	9.7
Precision Craft	*460	3.2	2461	17.3	1052	7.4
Other Employed	1079	3.7	4834	16.6	2218	7.6
Single	1454	3.9	5476	14.7	2702	7.3
Married	4620	4.4	22570	21.4	10311	9.8
Divorced/Separated/Widowed	1288	4.1	4911	15.7	2655	8.5
Parents	2727	4.7	12648	21.6	6098	10.4
Northeast	1527	3.9	7268	18.6	2990	7.7
East Central	1240	5.1	5182	21.1	2443	10.0
West Central	1065	3.7	6776	23.7	3265	11.4
South	2378	4.6	8286	16.1	3866	7.5
Pacific	1151	3.8	5445	18.2	3103	10.4
Metro Central City	2327	4.4	8629	16.3	4566	8.6
Metro Suburban	3374	4.2	16003	19.9	7570	9.4
Non Metro	1661	4.1	8325	20.7	3531	8.8
Household $60,000 or more	970	5.9	4362	26.4	1540	9.3
$50,000 or more	1426	5.4	6902	25.9	2661	10.0
$40,000 or more	2476	5.2	11914	25.1	4796	10.1
$30,000 or more	3956	5.1	18555	24.1	8138	10.6
$30,000–$39,999	1480	5.0	6641	22.6	3342	11.4
$20,000–$29,999	1343	3.8	6661	18.7	3441	9.7
$10,000–$19,999	1383	3.8	5378	14.9	2807	7.8
Under $10,000	679	2.7	2363	9.4	1282	5.1
Household Size 1 Person	719	3.4	3176	14.9	1553	7.3
2 People	2397	4.4	10641	19.7	5005	9.2
3 or 4 People	2898	4.1	14198	20.1	6535	9.2
5 or More People	1347	4.9	4942	17.9	2574	9.3
No Child in Household	4066	4.0	18744	18.4	8667	8.5
Child(ren) under 2 years	709	4.8	3041	20.6	1593	10.8
2–5 years	1311	5.2	5098	20.0	2560	10.1
6–11 years	1342	4.3	6524	20.7	3136	10.0
12–17 years	1328	4.0	6471	19.3	3021	9.0
Residence owned	5351	4.5	25775	21.6	11508	9.6
Value: $60,000 or more	2895	4.4	15424	23.5	6395	9.7
Value: Under $60,000	2456	4.6	10351	19.2	5113	9.5

*Projection relatively unstable because of sample base—use with caution.

Source Simmons Market Research Bureau, Inc 1987

SHELL ALPERT'S DIRECT MAIL
BALLPARK-BUDGET COSTIMATOR™

The sole purpose of the Costimator Tables shown here is to aid direct marketers in the initial stages of planning cost-effective direct mail campaigns. Because of production-cost variables (labor, materials, overhead, workload, markup, etc.), Costimator prices may be as much as 20% higher or lower than actual supplier quotations. Usually, however, mailers who seek competitive bids from different vendors— and who allow enough turnaround time for economical production—will be able to meet (or likely beat) these Costimator prices.

In some cases, dramatic cost reductions can be achieved by purchasing odd-lot, remnant, or surplus paper stocks (paper often accounts for 40% to 60% of printing costs)—or by scheduling out-of-season production runs (hungry suppliers may be more interested in recovering overhead expense than making a profit). Mail marketers are well-advised to obtain quotes not only from vendors, but also from printing brokers and production-oriented agencies. (They frequently know where the real "bargains" are hiding and waiting to be exploited.)

Costimator prices do *not* include creative costs (copy, design, layout, etc.), the expense of preparing camera-ready mechanical art (color separations, printing negatives, etc.). Likewise, expenditures for original illustrations and photography must also be added.

Source: Shell Alpert,
Alpert O'Neil Tigre & Co
June, 1987

LITHO LETTERS (NOT PERSONALIZED)
COST PER THOUSAND

					COST PER THOUSAND			
FINISHED SIZE	ITEM	LEAVES/PAGES	STOCK	COLORS/SIDES	10M	50M	100M	300m
8-½" × 11"	Letter*	1/1	60# Offset	1/1	$34.15	$15.85	$12.48	$ 8.54
8-½" × 11"	Letter*	1/1	24# Rag Bond	1/1	41.10	19.26	15.06	10.27
8-½" × 11"	Letter*	1/1	60# Offset	2/1	42.85	15.20	11.92	8.54
8-½" × 11"	Letter*	1/1	24# Rag Bond	2/1	52.83	18.08	14.33	10.27
8-½" × 11"	Letter*	1/2	60# Offset	1/2	40.53	17.47	13.97	10.20
8-½" × 11"	Letter*	1/2	24# Rag Bond	1/2	48.39	20.96	16.71	12.61
8-½" × 11"	Letter*	1/2	60# Offset	2/2	67.46	18.68	14.70	10.20
8-½" × 11"	Letter*	1/2	24# Rag Bond	2/2	81.18	22.34	17.73	12.61
8-½" × 11"**	Letter*	2/4	60# Offset	1/2	65.66	27.14	23.27	18.94
8-½" × 11"**	Letter*	2/4	24# Rag Bond	1/2	79.35	32.56	33.31	22.76
8-½" × 11"**	Letter*	2/4	60# Offset	2/2	84.87	27.59	23.79	18.94
8-½" × 11"**	Letter*	2/4	24# Rag Bond	2/2	99.67	33.12	28.47	22.76

*Folded twice to fit #10 envelope.
**11" × 17" folded once to 8-½" × 11".

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

COMPUTERIZED LETTERS (PERSONALIZED)
COST PER THOUSAND

MEGATYPING[a]					COST PER THOUSAND	
FINISHED SIZE	ITEM	LEAVES/PAGES	STOCK	COLORS/SIDES	50M	100M
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$146.71	$100.92
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	150.02	103.26
8-½" × 11"*	Letter	1/1	60# Offset	2/1	148.86	102.89
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	152.21	104.55
8-½" × 11"*	Letter	2/2	60# Offset	1/1 ea.	202.09	197.87
8-½" × 11"*	Letter	2/2	24# Rag Bond	1/1 ea.	207.17	201.47
8-½" × 11"*	Letter	2/2	60# Offset	2/1 ea.	205.10	199.86
8-½" × 11"*	Letter	2/2	24# Rag Bond	2/1 ea.	209.18	203.00

XEROX 9700[b]					COST PER THOUSAND	
FINISHED SIZE	ITEM	LEAVES/PAGES	STOCK	COLORS/SIDES	50M	100M
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$ 56.47	$ 47.92
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	59.69	50.30
8-½" × 11"*	Letter	1/1	60# Offset	2/1	57.71	49.57
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	61.31	51.76
8-½" × 11"*	Letter	1/2	60# Offset	1/2 ea.	96.45	89.05
8-½" × 11"*	Letter	1/2	24# Rag Bond	1/2 ea.	99.25	91.27
8-½" × 11"*	Letter	1/2	60# Offset	2/2 ea.	100.38	89.75
8-½" × 11"*	Letter	1/2	24# Rag Bond	2/2 ea.	103.40	92.59

IBM LASER[c]					COST PER THOUSAND	
FINISHED SIZE	ITEM	LEAVES/PAGES	STOCK	COLORS/SIDES	50M	100M
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$ 47.84	$ 40.01
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	57.95	49.20
8-½" × 11"*	Letter	1/1	60# Offset	2/1	51.03	41.97
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	62.35	51.07
8-½" × 11"*	Letter	1/2	60# Offset	1/2	54.19	43.72
8-½" × 11"*	Letter	1/2	24# Rag Bond	1/2	65.30	53.15
8-½" × 11"*	Letter	1/2	60# Offset	2/2	60.03	47.02
8-½" × 11"*	Letter	1/2	24# Rag Bond	2/2	74.01	57.44

*Folded to fit #10 envelope.

(a) Produced by computer driven typewriters, indistinguishable from hand-typing, superb quality.
(b) Sheetfed laser process, very clean and sharp, close to word-processing quality (but may "crack" on foldlines).
(c) Better than old-style impact processes, but still has computerized look; tractor fed, requires continuous forms.

Prices for all computerized letters include litho-printed letterheads and signatures in 1 or 2 colors. Possible charges for data conversion, reformatting tapes, special programming, embedded variables, etc., are not included.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

CARRIER ENVELOPES
STOCK 24# WHITE WOVE
COST PER THOUSAND

NO.	SIZE	STYLE	COLOR	WINDOW	COST PER THOUSAND 10M	50M	100M
6-1/4	3-9/16" × 6"	Diagonal Seam	1	cello	$31.10	$15.97	$13.35
6-1/4	3-9/16" × 6"	Diagonal Seam	1	open	29.90	14.81	12.26
6-1/4	3-9/16" × 6"	Diagonal Seam	2	cello	33.44	16.47	13.76
6-1/4	3-9/16" × 6"	Diagonal Seam	2	open	32.37	15.32	12.72
9	3-7/8" × 8-7/8"	Diagonal Seam	1	cello	31.70	16.91	14.84
9	3-7/8" × 8-7/8"	Diagonal Seam	1	open	30.41	15.81	13.66
9	3-7/8" × 8-7/8"	Diagonal Seam	2	cello	33.95	17.38	15.20
9	3-7/8" × 8-7/8"	Diagonal Seam	2	open	32.72	16.17	14.05
10	4-1/8" × 9-1/2"	Diagonal Seam	1	cello	34.45	17.41	15.34
10	4-1/8" × 9-1/2"	Diagonal Seam	1	open	33.40	16.14	14.28
10	4-1/8" × 9-1/2"	Diagonal Seam	2	cello	37.05	17.88	15.75
10	4-1/8" × 9-1/2"	Diagonal Seam	2	open	35.68	16.59	14.56
—	6" × 9"	Booklet, open side	1	cello	74.00	49.71	47.10
—	6" × 9"	Booklet, open side	1	open	72.63	48.44	45.85
—	6" × 9"	Booklet, open side	2	cello	76.60	50.38	47.65
—	6" × 9"	Booklet, open side	2	open	75.28	49.12	46.25

Note: For closed-face (no window) envelope, deduct $1.25/M from open-window price.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

REPLY ENVELOPES
STYLE = DIAGONAL SEAM
STOCK = 24# WHITE WOVE
COST PER THOUSAND

NO.	SIZE	ITEM	COLOR	COST PER THOUSAND 10M	50M	100M
6-1/4	3-9/15" × 6"	BRE	1	$30.02	$14.96	$12.16
6-1/4	3-9/16" × 6"	BRE	2	32.47	15.26	12.56
7-3/4	3-7/8" × 7-1/2"	BRE	1	30.69	15.12	12.43
7-3/4	3-7/8" × 7-1/2"	BRE	2	33.02	15.58	12.79
10	4-1/8" × 9-1/2"	BRE	1	33.47	16.26	14.22
10	4-1/8" × 9-1/2"	BRE	2	35.97	16.74	14.63

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

REPLY CARDS/ORDER FORMS
COST PER THOUSAND

FINISHED SIZE	ITEM	STOCK	COLORS/SIDES	COST PER THOUSAND 10M	50M	100M
5-1/2" × 3-1/2"	BRC	7 pt. Hi-Bulk	1/2	$25.75	$11.15	$ 9.25
5-1/2" × 3-1/2"	BRC	7 pt. Hi-Bulk	2/2	39.40	14.75	12.05
8-1/2" × 5-1/2"	BRC	7 pt. Hi-Bulk	1/2	40.55	19.10	15.70
8-1/2" × 5-1/2"	BRC	7 pt. Hi-Bulk	2/2	68.40	24.25	20.65
5-1/2" × 3-1/2"	Order Form	60# Offset	1/2	23.95	10.30	8.35
5-1/2" × 3-1/2"	Order Form	60# Offset	2/2	37.30	13.70	11.10
8-1/2" × 5-1/2"	Order Form	60# Offset	1/2	38.40	17.75	14.35
8-1/2" × 5-1/2"	Order Form	60# Offset	2/2	64.50	22.60	18.80

Souce: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

SELF-MAILING FORMATS
COST PER THOUSAND

FINISHED SIZE	ITEM	LEAVES/PANELS	STOCK	COLORS/SIDES	COST PER THOUSAND 10M	50M	100M
3-½" × 6"	Double Card	2/4	65# Cover	1/2	$54.88	$20.71	$16.95
3-½" × 6"	Double Card	2/4	65# Cover	2/2	69.55	22.77	18.07
3-⅔" × 8-½"*	Self-Mailer	3/6	65# Cover	1/2	52.32	28.26	21.76
3-⅔" × 8-½"*	Self-Mailer	3/6	65# Cover	2/2	104.73	30.13	23.11
5-½" × 8-½"**	Self-Mailer	2/4	65# Cover	1/2	62.32	28.26	21.76
5-½" × 8-½"**	Self-Mailer	2/4	65# Cover	2/2	104.73	30.13	23.11
8-½" × 11"***	Self-Mailer	2/4	65# Cover	1/2	94.10	39.70	36.72
8-½" × 11"***	Self-Mailer	2/4	65# Cover	2/2	128.06	45.39	38.00
8-½" × 11"***	Self-Mailer	2/4	65# Cover	4/2	192.60	59.32	48.62

* 8-½" × 11" folded twice.
** 8-½" × 11" folded once.
*** 11" × 17" folded once.

Souce: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

BROCHURES, FOLDERS, ETC.
COST PER THOUSAND

FINISHED SIZE	ITEM	LEAVES/PANELS	STOCK	COLORS/SIDES	COST PER THOUSAND 10M	50M	100M	300M
3-½" × 6"	Folder	2/4	60# Coated	1/2	$38.00	$27.50	$22.30	---
3-½" × 6"	Folder	2/4	60# Coated	2/2	66.75	34.50	25.05	---
5-½" × 8-½"	Brochure	2/4	60# Offset	1/2	40.10	18.93	14.90	---
5-½" × 8-½"	Brochure	2/4	60# Offset	2/2	68.35	19.87	15.65	---
5-½" × 8-½"	Brochure	2/4	60# Offset	4/2	99.40	34.40	22.15	---
8-½" × 11"	Brochure	2/4	60# Offset	1/2	65.85	27.85	24.25	20.72
8-½" × 11"	Brochure	2/4	60# Offset	2/2	83.15	28.30	24.95	21.05
8-½" × 11"	Brochure	2/4	60# Offset	4/2	101.50	37.40	31.25	24.25
8-½" × 11"		*/8	60# Coated	2/2	154.50	86.50	72.00	57.47
8-½" × 11"	Broadside	*/8	60# Coated	4/2	223.20	105.40	80.10	60.10
8-½" × 11"	Broadside	*/8	80# Coated	2/2	171.70	98.00	79.95	64.45
8-½" × 11"	Broadside	*/8	80# Coated	4/2	240.25	118.20	89.35	66.80

* 22" × 17" folded twice to form eight 8-½" × 11" panels; same as 8-page booklet, but not trimmed & stitched.

Souce: Shell Alpert, Alpert O'Neil Tigre & Co

BIND-IN REPLY FORMATS
(2 PAGES & ENVELOPE)
COST PER THOUSAND

FLAT SIZE	FINISHED SIZE	ITEM	STOCK	COST PER THOUSAND 10M	50M	100M
8-½" × 13"	8-½" × 6-½"	Bind-In Env./Ord. Form	50# Offset	$50.16	$18.98	$13.46
8-½" × 17"	8-½" × 8-½"	Bind-In Env./Ord. Form	50# Offset	51.09	34.22	23.37

NOTE: Press-finished bind-ins (such as above) are available in numerous sizes and styles, with one or two made-up envelopes and two-page or multi-page order forms and promo panels; can be printed and bound, in line, with booklets or catalogs on web presses, or stitched-in during separate bindery operation.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

LETTERSHOP OPERATIONS
COST PER THOUSAND

INSERTED IN #10 ENVELOPES*	COST PER THOUSAND	
	20-25M	OVER 25M
ONE ITEM	$26.00	$22.00
TWO ITEMS	26.00	22.00
THREE ITEMS	26.00	22.00
FOUR ITEMS	30.00	24.50
FIVE ITEMS	30.00	24.50
SIX ITEMS	30.00	24.50
INSERTED IN 6" × 9" ENVELOPES*		
ONE ITEM	$28.00	$25.50
TWO ITEMS	28.00	25.50
THREE ITEMS	28.00	25.50
FOUR ITEMS	36.00	29.00
FIVE ITEMS	36.00	29.00
SIX ITEMS	36.00	29.00

POSTAL METERING @ $2/M.

MACHINE STAMP AFFIXING @ $5/M.

*Includes insertion of prefolded elements, labeling, sealing, tieing, bagging and mailing via regular third-class bulk rate. (Assuming 4-up Cheshire labels supplied in Zip Code sequence.)

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

MISCELLANEOUS DIRECT MAIL ITEMS
COST RANGES

DIRECT MAIL ITEMS	COST RANGE
KEYPUNCHING NAMES/ADDRESSES (FROM HARD COPY) TO PRODUCE COMPUTER MAILING LIST	$115/M—$150/M
ABOVE WITH VERIFICATION	$195/M—$280/M
TYPE-AND-SCAN NAMES/ADDRESSES TO PRODUCE COMPUTER MAILING LIST	$ 40/M—$ 75/M
PRINT AND AFFIX PEEL-OFF CARDS, THIN GAUGE	$ 55/M—$ 95/M
EMBOSS TYPE OR LOGO, BLIND	$ 9/M—$ 20/M
EMBOSS TYPE OR LOGO, FOIL	$ 14/M—$ 30/M
EMBOSSING DIES, SMALL	$200—$450 ea.
SPECIAL ENVELOPE WINDOW DIES	$225—$475 ea.
SPECIAL "LINED" CHESHIRE LABELS	$ 5/M—$ 7/M
PIGGYBACK (PEEL-OFF LABELS)	$ 6/M—$ 8/M
SERIAL NUMBERING	$ .70/M—$.95/M

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

DIRECT MAIL
WORKING BUDGET DIRECT MAIL SPECIMEN

Great North American Widget Corporation
Consumer Solo-Mailing Campaign
Two-for-One Widget Offer
(Approx. Net Quantity, 100,000 [100M]; Scheduled Drop Date, 7/30/88)
WORKING BUDGET
Prepared by Frank N. Stine, Mar. 15, 1988

A. CREATIVE		
1. Preliminary roughs and dummies	$ 200.00	
2. Copy, including revises	2,750.00	
3. Tight comp. layouts	750.00	
4. Contingency reserve	355.00	
TOTAL	$ 4,055.00	(5.6%)
B. ART & PREPARATION		
1. Mechanical art & preparation	$ 1,000.00	
2. Typography, including AAs	1,250.00	
3. Repros, pos, prints, reading copies, etc.	175.00	
4. Line illustrations (7)	280.00	
5. Photography	900.00	
6. Model fees	350.00	
7. Color separations (2)	900.00	
8. Colorkey proofs	250.00	
9. Stripped-in print films	380.00	
10. Contingency reserve	1,000.00	
TOTAL	$ 6,485.00	(9.0%)
C. PRINTING PRODUCTION		
1. 4-pg. litho let., 8-½ × 11", 2 colors* (105M @ $23.79/M)	$ 2,497.95	
2. 16-pg booklet, 5-½" × 8-½", 4 colors* (105M @ $90.50/M)	9,502.50	
3. Reply card, 3-½" × 5-½", 2 colors (105M @ $12.05/M)	1,265.25	
4. BRE, #7-¾, one color (105M @ $12.27/M)	1,288.35	
5. Outer env., 6" × 9", 2 color, cello wind. (105M @ $46.75/M)	4,908.75	
6. Contingency reserve	2,000.00	
TOTAL	$21,462.80	(30.0%)
D. MAILING LISTS		
1. Mailorder respondents (tape) 70M* @ $85/M	$ 5,950.00	
2. Active magazine subs (tape) 45M* @ $55/M	2,475.00	
3. Contingency reserve	1,000.00	
TOTAL	$ 9,425.00	(13.0%)
E. COMPUTER PROCESSING		
1. Reformating, data conversion, etc.	$ 350.00	
2. Merge/Purge (115M @ $9.25/M)	1,063.75	
3. Code and run 4-up labels (100M @ $3.50/M)	350.00	
4. Reports & directory printout	175.00	
5. Contingency reserve	400.00	
TOTAL	$ 2,338.75	(3.2%)
F. LETTERSHOP PRODUCTION		
1. Insert, label, sort, mail, etc. (100M @ $28.25)	$ 2,825.00	
2. Affix bulk-rate stamps (100M @ $5/M)	500.00	
3. Audit & pull samples (100M @ $1.75/M)	175.00	
4. Contingency reserve	250.00	
TOTAL	$ 3,750.00	(5.2%)
G. ALLOCATED FEES		
1. Ad Agency	$ 6,000.00	
2. Consultant	1,500.00	
3. Contingency reserve	1,000.00	
TOTAL	$ 8,500.00	(11.7%)
H. POSTAGE		
1. 100M @ $167/M	$16,700.00	(23.0%)
BUDGETED GRAND TOTAL	$72,716.55	(100%)

*Folded NOTE: Freight charges included
Budgeted Total without Cont. Reserves = $66,711.55

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1988

1985 SALES VOLUME OF DIRECT MARKETERS

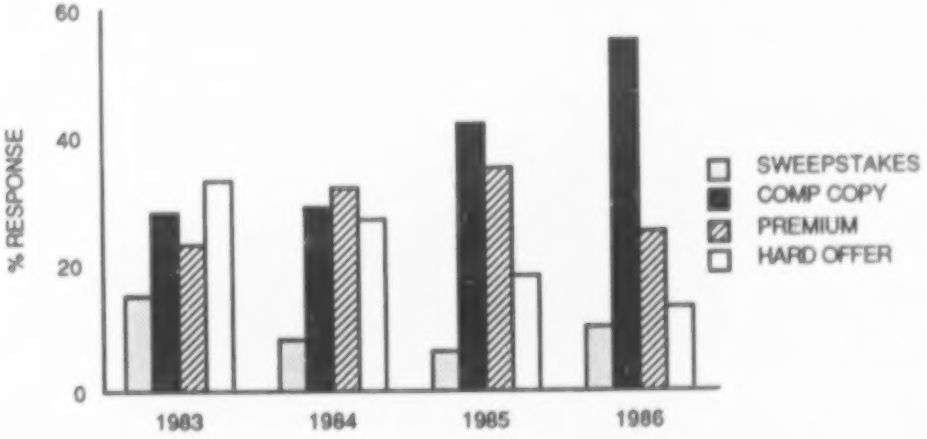
The following index ranks 100 U.S. mail order companies in descending order according to mail order sales. The sales volume figures presented here are expressed as decimal fractions in millions of dollars. The majority of mail order volume figures contained in this index are estimates developed by Maxwell Sroge Publishing.

COMPANY	**MAIL ORDER SALES (IN MILLIONS)**
UNITED SERVICES AUTOMOBILE ASSOC.	2,100.00
READER'S DIGEST	1,350.00
GEICO	1,078.00
SPIEGEL	847.00
FINGERHUT COMPANIES	786.00
COLONIAL PENN	750.00
DELUXE CHECK PRINTERS	700.00
FINGERHUT CORP	699.00
SEARS, ROEBUCK	695.00
SENTRY INSURANCE	554.25
J.C. PENNEY	510.00
ADVO-SYSTEM	449.90
FRANKLIN MINT	445.00
SIGNATURE DIRECT RESPONSE	415.00
TIME BOOKS GROUP	410.00
MCGRAW-HILL	373.00
NATIONAL GEOGRAPHIC SOCIETY	365.00
TIME-LIFE BOOKS	335.00
NEW PROCESS	329.70
AMERICAN EXPRESS	327.00
PRENTICE-HALL	325.20
BRYLANE MAIL ORDER	306.50
THE LIMITED	306.00
NATIONAL LIBERTY	302.00
COLUMBIA HOUSE	290.00
DECDIRECT	290.00
COMBINED INTERNATIONAL	228.00
LANDS' END	227.16
L. L. BEAN	219.60
HANOVER HOUSE	212.00
AVON DIRECT RESPONSE	205.20
ALLSTATE INSURANCE	200.00
GENERAL NUTRITION	200.00
WANG DIRECT	200.00
DREYFUS	175.84
HENRY SCHEIN	175.00
FIELD PUBLICATIONS	164.00
PUBLISHERS CLEARING HOUSE	162.00
ENCYCLOPAEDIA BRITANNICA	160.00
NEW ENGLAND BUSINESS SERVICE	158.10
DOUBLEDAY & COMPANY	155.00
QUILL	150.00
RCA MUSIC SERVICE	150.00
FOSTER & GALLAGHER	139.15
GROLIER	133.00
COMMERCE CLEARING HOUSE	130.70
BEAR CREEK	130.00
INMAC	124.39
BUREAU OF NATIONAL AFFAIRS	119.50
LILLIAN VERNON	119.00
SPENCER GIFTS	118.00
BOOK-OF-THE-MONTH CLUB	115.00
WORLD BOOK	115.00
GENERAL MILLS	103.90
ARIZONA MAIL ORDER	103.00
CPS DIRECT	101.64
AMBASSADOR INTERNATIONAL	101.60
CURRENT	100.00
HABAND	100.00
HEWLETT PACKARD DIRECT	100.00
RODALE PRESS	98.00
PHYSICIANS MUTUAL INSURANCE	96.60
MEREDITH	95.00
PITNEY BOWES	95.00
SPRING HILL NURSERIES	93.00
47TH STREET PHOTO	88.00
GARDEN WAY	87.50
COMP-U-CARD	87.47
BRADFORD EXCHANGE	85.00
G-R-I-	83.70
DAY-TIMERS	80.00
THE LITERARY GUILD	80.00
SWISS COLONY	80.00
STARCREST OF CALIFORNIA	78.00
WRIGHT LINE	77.00
TRANS NATIONAL	75.00
CONROY-LAPOINTE	70.00
CABELA'S	70.00
HARRY & DAVID	70.00
MILLIPOR	70.00
HORCHOW MAIL ORDER	67.76
U.S. GENERAL SUPPLY	65.00
THE SHARPER IMAGE	65.00
SAFECARD	64.81
JACKSON & PERKINS	61.00
ROAMAN'S	60.50
DOUBLEDAY BOOK CLUB	60.00
IBM DIRECT	60.00
RELIABLE	60.00
CAROL WRIGHT	59.90
WALTER DRAKE	58.69
C.O.M.B.	57.60
AXIA	57.50
EDDIE BAUER	56.90
XEROX	56.50
SECURITY PACIFIC	55.25
BASS PRO SHOPS	55.00
CML GROUP	55.00
BLACK BOX	53.00
MACMILLAN BOOK CLUBS	53.00

Source: NTC Business Books, *Inside The Leading Mail Order Houses*, Third Edition 1987
Maxwell Sroge Publishing
*Please contact Maxwell Sroge for Permission to Reprint

WHAT IS YOUR DIRECT MAIL CONTROL OFFER?

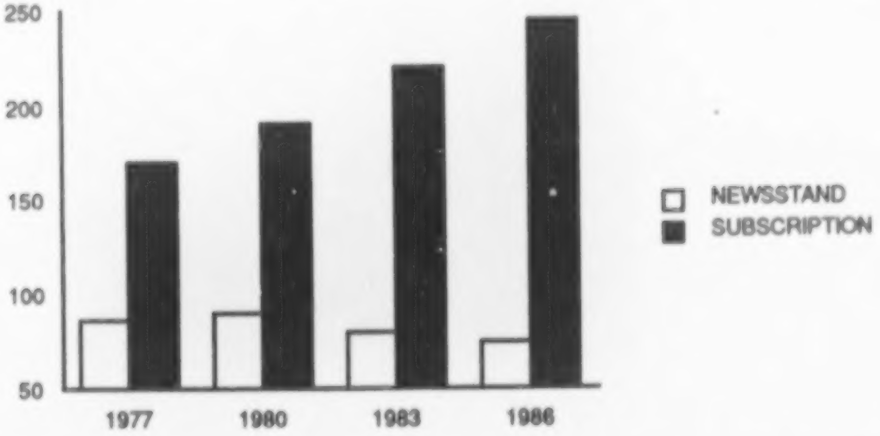
There has been a noteworthy move to comp copy subscription offers. Comp copies, sweepstakes and premium offers now make up 87% of all direct mail solicitations, compared to 67% in 1983.



Source: Capell's Circulation Report

NEWSSTAND/SUBSCRIPTION MIX
(AUDIT BUREAU OF CIRCULATION)

The growth of subscriptions has offset the loss in single-copy sales. While single-copy sales have declined 13.8% from 1977 to 1986, subscription circulation grew by 47.4%. This trend is expected to continue.



Source: Audit Bureau of Circulation

• CATALOG

CONSUMER ATTITUDES

BUYING HABITS

COSTS

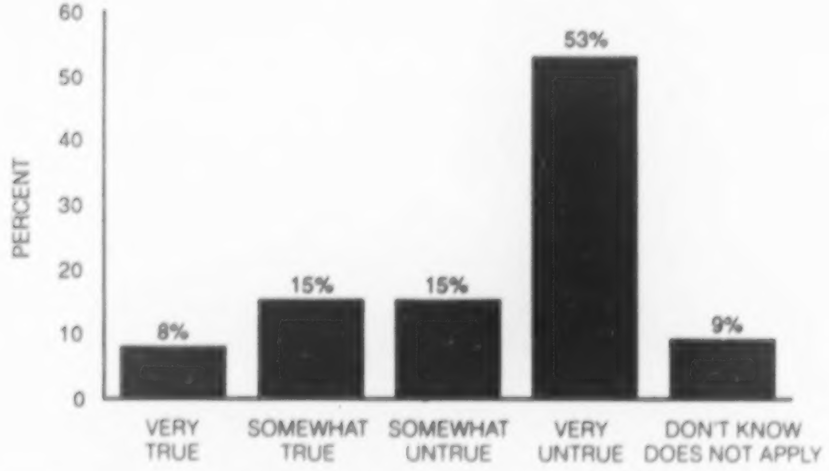
TRENDS

PROJECTIONS

CONSUMER ATTITUDES TOWARD CATALOG VS RETAIL PURCHASING

The Target Marketing Magazine, Gallup Survey—Are Catalogs Convenient was conducted by personal interview during Oct. 21–28, 1986 among 1,559 adults

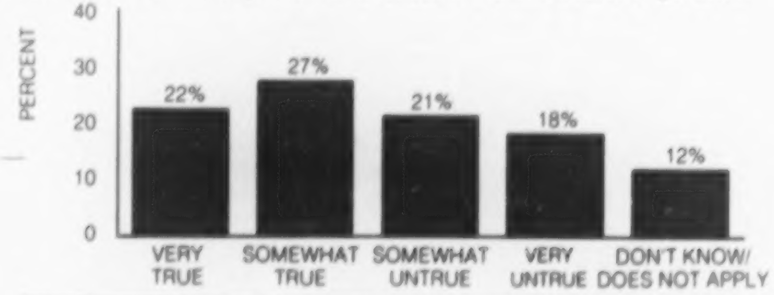
"I will buy products from a catalog even if they are available at a nearby store."



Source: Target Marketing Magazine source cited

CONSUMER ATTITUDE TOWARD CATALOGS RE: THE TIME IT TAKES TO RECEIVE MERCHANDISE

"I find it difficult to order products through the mail because of the time it takes to get them."



Source: Target Marketing Magazine

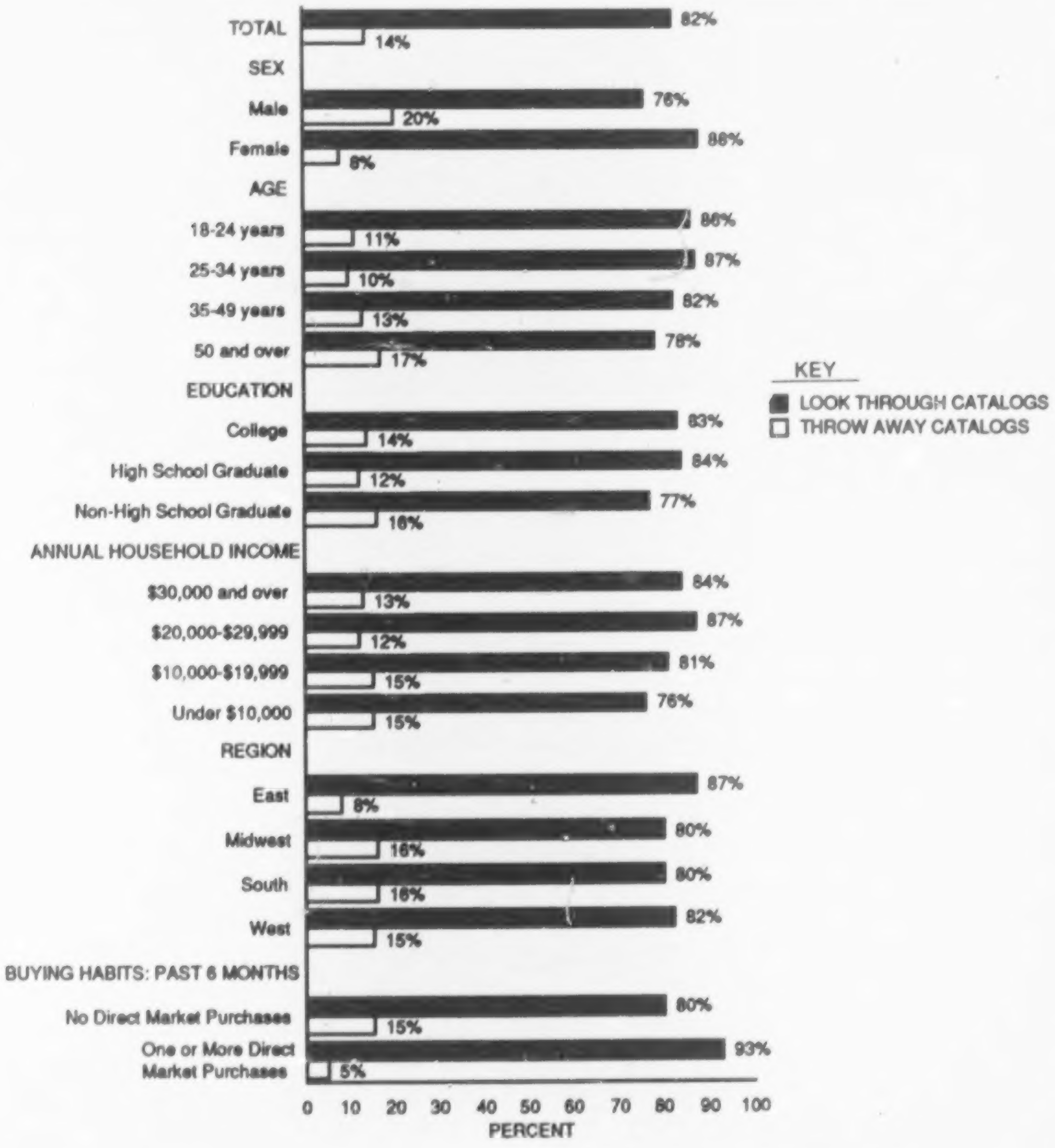
cited

HOW PEOPLE READ CATALOGS

Update Keep

The Gallup Organization survey to determine the fate of catalogs was conducted by telephone during July, among 1,005 adults

The vast majority of adults, more than 8 in 10, usually look through the catalogs they receive



Source—Gallup Survey, Target Marketing, November 1987

update

CATALOGS
Number of Times Bought From in Last 12 Months

	Total U.S.	Bought From Catalogs in Last 12 Months		1–2 Times		3–5 Times		6 or more Times	
	'000	'000	%	'000	%	'000	%	'000	%
Total Adults	173681	75951	43.7	32637	18.8	27389	15.8	15924	9.2
Males	82598	31071	37.6	14798	17.9	10676	12.9	5597	6.8
Females	91083	44879	49.3	17838	19.6	16714	18.4	10328	11.3
18–24	27154	9560	35.2	4823	17.8	3198	11.8	1539	5.7
25–34	42000	19470	46.4	8287	19.7	6859	16.3	4323	10.3
35–44	32529	15935	49.0	6264	19.3	6013	18.5	3658	11.2
45–54	22698	10737	47.3	4411	19.4	3698	16.3	2628	11.6
55–64	21980	10404	47.3	3976	18.1	4368	19.9	2060	9.4
65 or older	27319	9844	36.0	4876	17.8	3252	11.9	1716	6.3
Graduated College	30437	16309	53.6	6398	21.0	6017	19.8	3894	12.8
Attended College	32211	16112	50.0	7121	22.1	5375	16.7	3616	11.2
Graduated High School	68358	30112	44.1	12779	18.7	11292	16.5	6042	8.8
Did Not Graduate High School	42675	13418	31.4	6339	14.9	4706	11.0	2373	5.6
Professional/Manager	26966	14505	53.8	5860	21.7	5346	19.8	3299	12.2
Tech/Clerical/Sales	34963	17509	50.1	7445	21.3	6505	18.6	3559	10.2
Precision Craft	14199	5766	40.6	2395	16.9	2122	14.9	1250	8.8
Other Employed	29036	11609	40.0	5060	17.4	4125	14.2	2424	8.3
Single	37160	13148	35.4	6549	17.6	4283	11.5	2316	6.2
Married	105311	50777	48.2	20464	19.4	18984	18.0	11329	10.8
Divorced/Separated/Widowed	31210	12026	38.5	5624	18.0	4123	13.2	2280	7.3
Parents	58618	28186	48.1	10921	18.6	10095	17.2	7170	12.2
Northeast	39000	15361	39.4	5748	14.7	5107	13.1	4506	11.6
East Central	24545	11613	47.3	4610	18.8	4598	18.7	2405	9.8
West Central	28615	15650	54.7	6580	23.0	5852	20.5	3218	11.2
South	51567	20837	40.4	9321	18.1	7683	14.9	3833	7.4
Pacific	29953	12490	41.7	6377	21.3	4150	13.9	1963	6.6
Metro Central City	53046	20743	39.1	9554	18.0	7447	14.0	3714	7.1
Metro Suburban	80473	35756	44.4	15281	19.0	12745	15.8	7731	9.6
Non Metro	40161	19452	48.4	7802	19.4	7198	17.9	4453	11.1
Household Income									
$60,000 or more	16548	8526	51.5	3287	19.9	3140	19.0	2100	12.7
$50,000 or more	26626	13904	52.2	5653	21.2	5028	18.9	3223	12.1
$40,000 or more	47419	24370	51.4	9946	21.0	8940	18.9	5484	11.6
$30,000 or more	76841	39571	51.5	16284	21.2	14390	18.7	8896	11.6
$30,000–$39,999	29422	15201	51.7	6339	21.5	5450	18.5	3412	11.6
$20,000–$29,999	35594	16004	45.0	6718	18.9	5895	16.6	3390	9.5
$10,000–$19,999	36140	13354	37.0	5865	16.2	4965	13.7	2523	7.0
Under $10,000	25107	7022	28.0	3769	15.0	2139	8.5	1114	4.4
Household Size									
1 Person	119593	7925	37.3	3611	17.0	2821	13.3	1493	7.0
2 People	54138	23372	43.2	10084	18.6	8241	15.2	5047	9.3
3 or 4 People	70725	33219	47.0	14103	19.9	12342	17.5	6774	9.6
5 or more people	27550	11434	41.5	4839	17.6	3985	14.5	2611	9.5
No child in household	101867	43088	42.3	19229	18.9	15720	15.4	8138	8.0
Child(ren) under 2 years	14740	6722	45.6	2682	18.2	2360	16.0	1679	11.4
2–5 years	25443	12083	47.5	4650	18.3	4602	18.1	2831	11.1
6–11 years	31478	14917	47.4	5621	17.9	5344	17.0	3952	12.6
12–17 years	33498	15212	45.4	6448	19.2	5330	15.9	3434	10.3
Residence owned	119593	58356	48.8	24007	20.1	21407	17.9	12943	10.8
Value: $60,000 or more	65738	33936	51.6	13942	21.2	12356	18.8	7639	11.6
Value: Under $60,000	53855	24420	45.3	10065	18.7	9051	16.8	5304	9.8

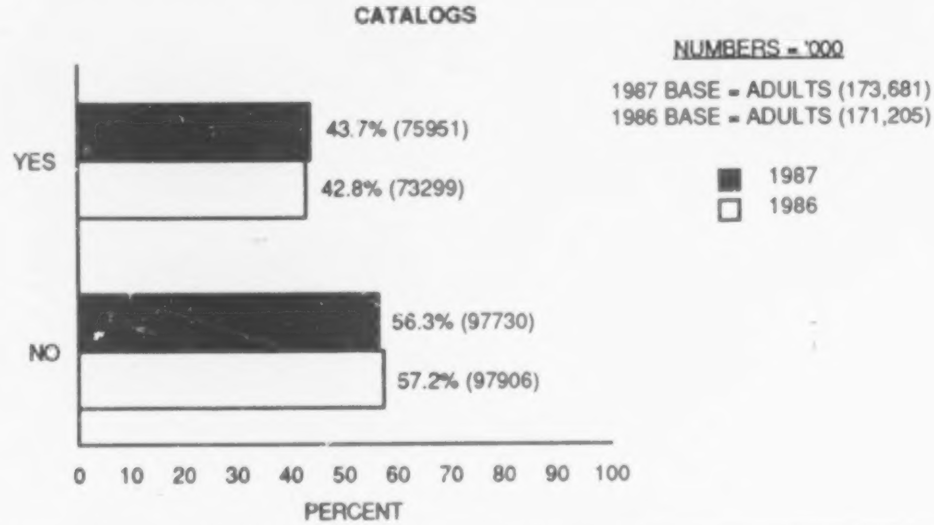
Source: Simmons Market Research Bureau, Inc. 1987

CATALOG/BUYING HABITS

CATALOGS

Update

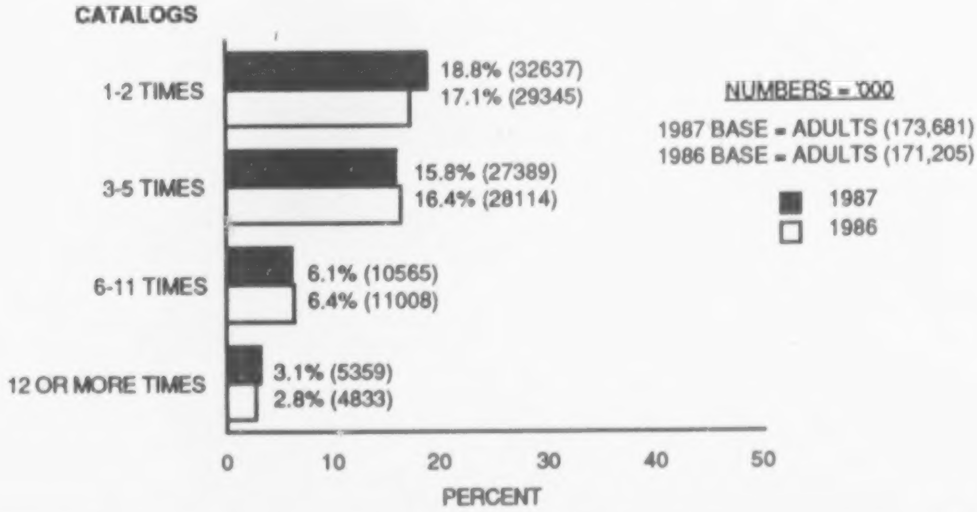
Have you yourself bought any merchandise from a catalog in the last 12 months?



Source: Simmons Market Research Bureau, Inc., 1986 & 1987

CATALOGS

About how many times have you bought merchandise from a catalog in the last 12 months?

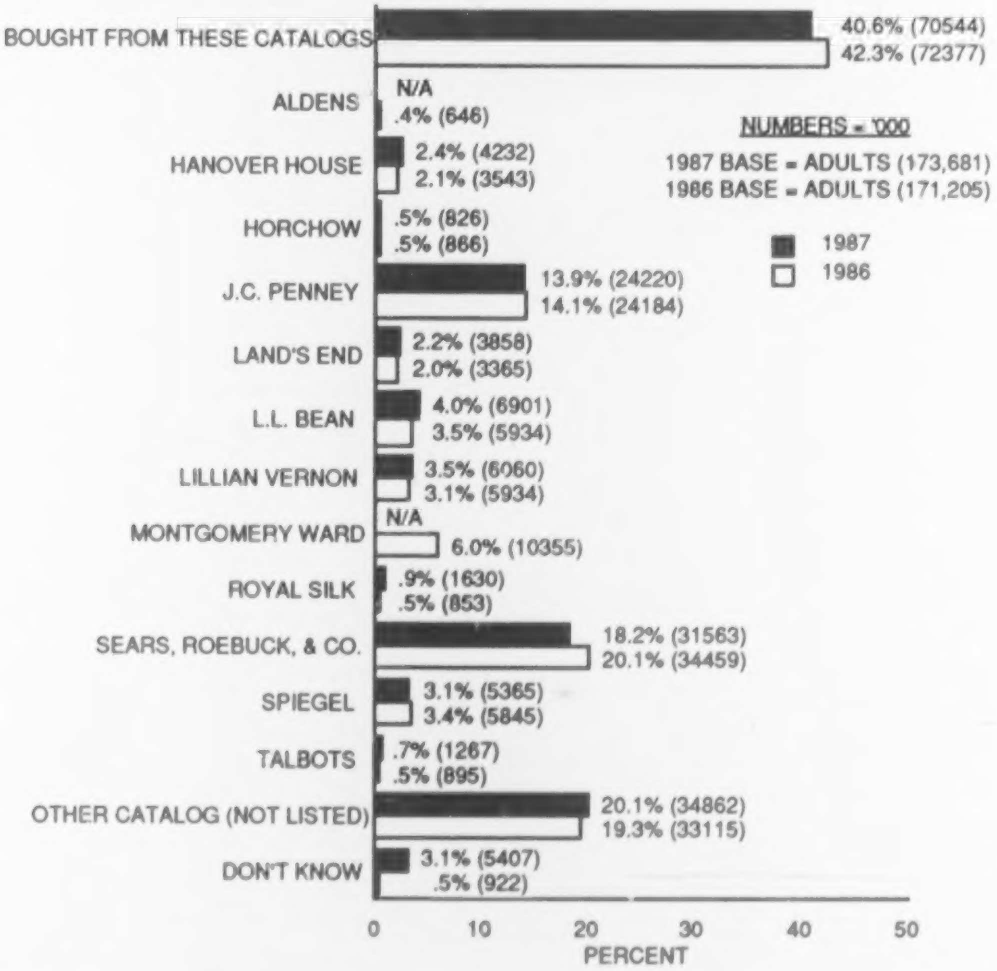


Source: Simmons Market Research Bureau, Inc., 1986 & 1987

update

CATALOGS

From which of these catalogs have you bought merchandise in the last 12 months?



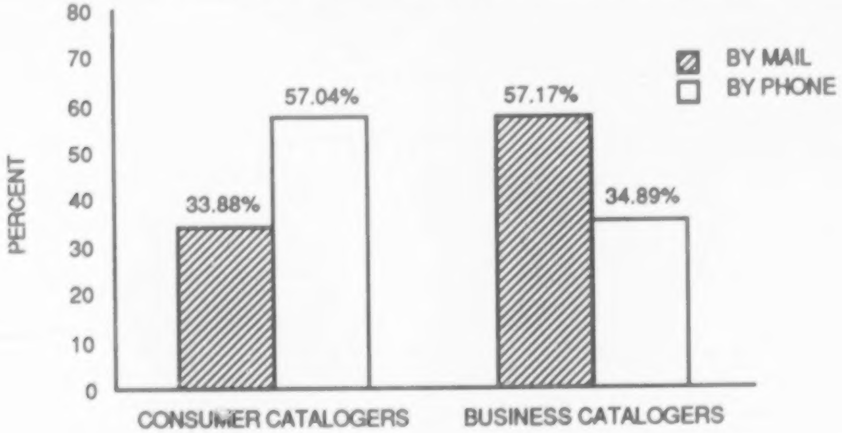
Source: Simmons Market Research Bureau, Inc., 1986 & 1987

PHONE OR MAIL ORDER?

The Catalog Age Report on marketing, outside list usage, and analysis of fulfillment practices was conducted by comprehensive survey in July among Catalog Age subscribers. Of the 429 respondents, a little over 60% consist of consumer catalog companies, over 15% are business-to-business marketers, and nearly 20% market to both consumers and businesses.

The survey covers every aspect of the catalog business including creative/production, merchandising, marketing, list usage, database enhancements, fulfillment, strategic planning, and financial.

Consumer catalogers as a group indicate that 57.04% of their orders come in by mail and 33.88% by phone. Business catalogers report the reverse—34.89% by mail and 57.17% by phone.



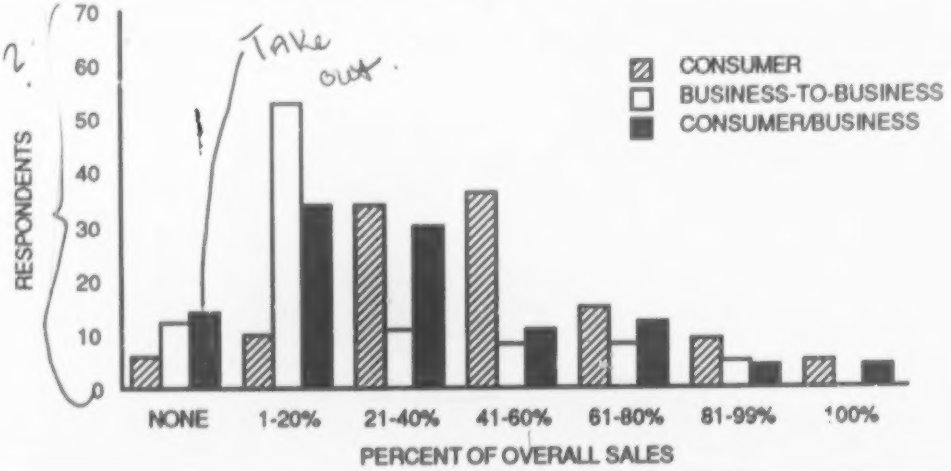
Source: "Reprinted with permission from *Catalog Age Magazine*, Copyright February 1988."

PERCENTAGE OF CUSTOMERS WHO PAY BY CHECK

Consumer catalogers have the highest percentage of their sales paid by check, at 56.25% using mean figures. Business catalogers average 23.4% of sales by check.

check to delete

go back to orig ?



Take out.

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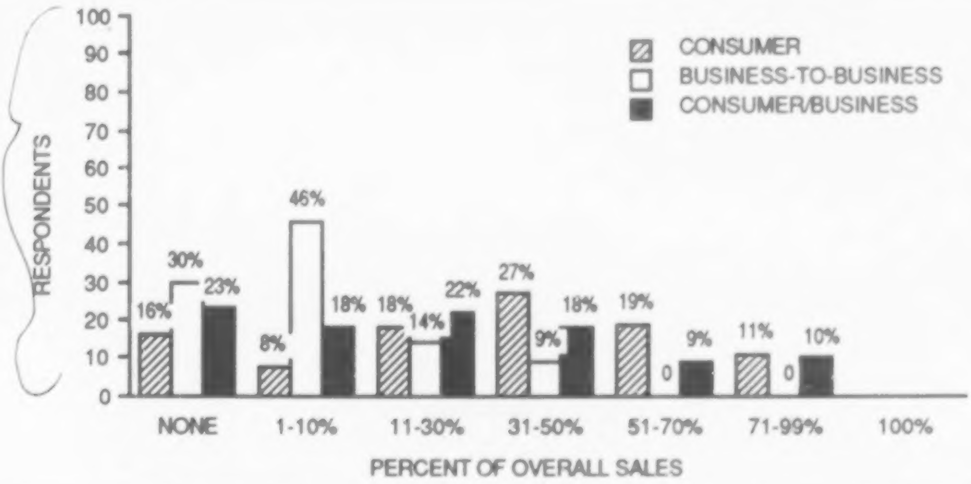
PERCENTAGE OF CUSTOMERS WHO PAY BY CREDIT CARD

The 1987 Catalog Age Report on marketing, outside list usage and analysis of fulfillment practices was conducted by comprehensive survey in July among Catalog Age subscribers. Of the 429 respondents, a little over 60% consist of consumer catalog companies, over 15% are business-to-business marketers, and nearly 20% market to both consumers and businesses.

The survey covers every aspect of the catalog business including creative/production, merchandising, marketing, list usage, database enhancements, fulfillment, strategic planning, and financial.

Consumer catalogers take the most plastic. For consumer catalogers, the percentage of customers who pay by mail, on the average, is between 41 and 44%. In contrast, however, are business catalogers where credit card purchases comprise 9.82% of overall sales.

2



Source: Reprinted with permission from *Catalog Age Magazine*, Copyright February 1988

delete

INCREASED PROFIT BASED ON SALES/M

INCREASE IN CATALOG PAGES	32-PAGE SALES OF $1,000/M	32-PAGE SALES OF $3,000/M
32 TO 40	$27.75	$165.25
40 TO 48	20.88	144.63
48 TO 56	0.67	114.06
56 TO 64	− 3.38	101.94
64 TO 72		92.02
72 TO 80		83.74
80 TO 88		76.88
88 TO 96		69.56
96 TO 104		65.31
104 TO 112		60.62
112 TO 120		55.64
120 TO 128		52.74
TOTAL	$48.63*	$1,082.39

Source: Lawson Hill Catalog Marketing 1985

*TOTAL PROFIT FOR INCREASING CATALOG TO 48 PAGES

THEREFORE A 32 PG. CATALOG WITH SALES OF $1,000/M CAN ONLY MAINTAIN A PROFIT IF PAGES ARE INCREASED TO 48 PGS. AFTER THAT POINT, THE PROFIT CEASES. IF SALES OF $3,000/M, THEN PROFIT WILL CONTINUE UP TO 128 PAGES AND THEN CEASE.

INCREMENTAL PROFIT

INCREASE IN CATALOG PAGES		1	2	3	4	5
	(S) sales at 32 pages	**$2,000/M**	**$4,000/M**	**$2,000/M**	**$2,000/M**	**$2,000/M**
	(V) mdse. & variable operating costs	**45%**	**45%**	**35%**	**60%**	**45%**
	(C) additional catalog costs	**$41/M**	**$41/M**	**$41/M**	**$41/M**	**$31/M**
32 to 40	$1,125,000	$40,250	$109,000	$57,750	$21,500	$45,250
40 to 48	1,237,500	33,375	95,250	44,625	16,500	38,375
48 to 56	1,340,583	20,696	77,392	31,004	5,234	25,696
56 to 64	1,436,300	16,052	69,282	25,516	1,856	21,052
64 to 72	1,526,069	12,812	62,742	21,687	−500	17,812
72 to 80	1,610,766	10,046	57,163	18,419		15,046
80 to 88	1,691,304	7,780	52,588	15,740		12,780
88 to 96	1,768,089	5,370	47,705	12,891		10,370
96 to 104	1,841,819	3,960	44,856	11,225		8,960
104 to 112	1,912,728	2,417	41,742	9,402		7,417
112 to 120	1,981,013	1,080	39,045	7,823		6,080
120 to 128	**2,048,981**	**−185**	**36,491**	**6,326**		**4,815**

Column 1 shows the additional profit for adding 8 pages when (S) equal *$2,000/M*, when (V) total *45%*, and the (C) is $41/M at 32 pages.

The other columns are the same as Column 1, with the following exceptions:

- Column 2 (S) equal $4,000/M at 32 pages.
- Column 3 (V) totals 35%
- Column 4 (V) totals 60%
- Column 5 (C) equals $31/M at 32 pages.

Source: Lawson Hill Catalog Marketing 1985

CATALOG COST RANGES
(60# COATED STOCK)

4

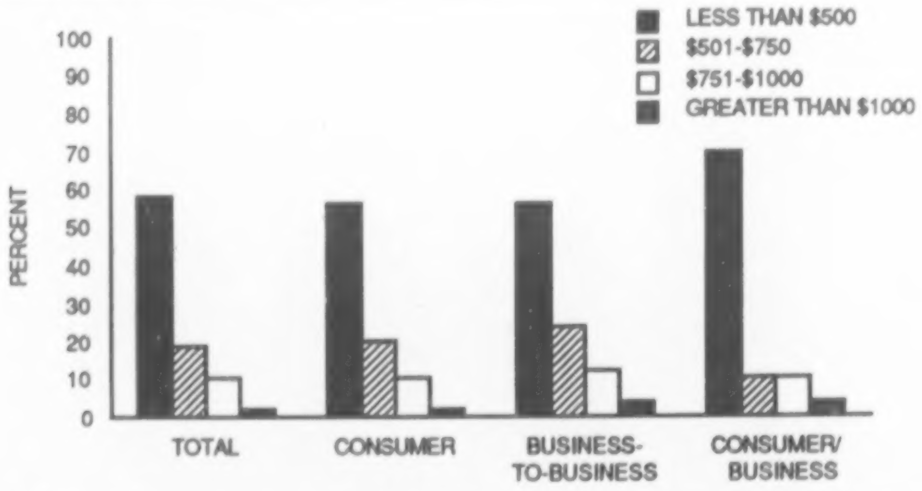
FINISHED SIZE	LEAVES/ PAGES	COLORS/ SIDES	COST PER THOUSAND		
			50M	100M	300M
8-½" × 11"	16/32	2/2	206.50	179.55	160.75
8-½" × 11"	16/32	4/2	287.05	233.35	197.70
8-½" × 11"	24/48	2/2	303.00	267.40	243.25
8-½" × 11"	24/48	4/2	395.50	328.60	283.10
8-½" × 11"	32/64	2/2	392.80	344.55	309.80
8-½" × 11"	32/64	4/2	497.25	417.25	362.85
8-½" × 11"	48/96	2/2	561.60	491.80	447.90
8-½" × 11"	48/96	4/2	684.86	573.50	503.70
5-½" × 8-½"	16/32	2/2	134.20	116.70	104.80
5-½" × 8-½"	16/32	4/2	185.85	152.15	127.90
5-½" × 8-½"	24/48	2/2	197.55	174.87	158.42
5-½" × 8-½"	24/48	4/2	255.25	213.35	184.20
5-½" × 8-½"	32/64	2/2	285.95	253.75	229.55
5-½" × 8-½"	32/64	4/2	372.50	308.50	264.65

NOTE: All above are self-cover, saddle-stiched; prices do not include bound-in order cards/forms/envelopes.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

WHAT DO YOU SPEND PER PAGE ON COLOR SEPARATIONS?

The 1987 Catalog Age Report sections on merchandising and creative/production was conducted by comprehensive survey in July among Catalog Age subscribers. Of the 429 respondents, a little over 60% consist of consumer catalog companies, over 15% are business-to-business marketers, and nearly 20% market to both consumers and businesses.



Source: "Reprinted with permission from *Catalog Age Magazine*, January 1988."

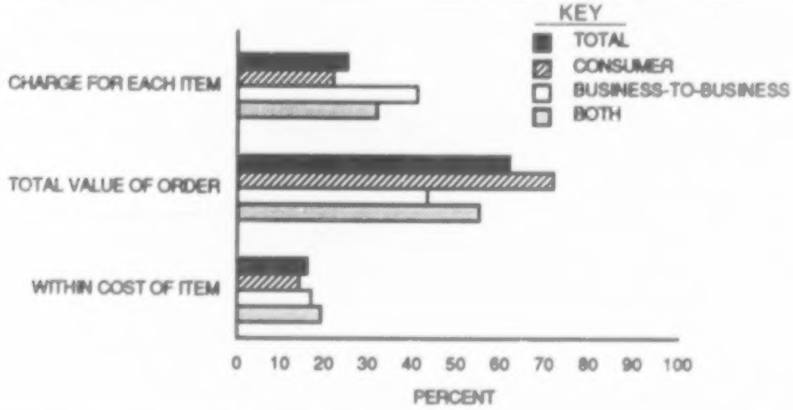
Standardize format for resource

HOW DO YOU CHARGE FOR SHIPPING AND HANDLING?

The 1987 Catalog Age Report on catalog trends and practices was conducted by comprehensive survey in July among Catalog Age subscribers. Of the 429 respondents, a little over 60% consist of consumer catalog companies, over 15% are business-to-business marketers, and nearly 20% market to both consumers and businesses.

The survey covers every aspect of the catalog business including creative/production, merchandising, marketing, list usage, database enhancements, fulfillment, strategic planning, and financial.

Over 60% of catalogers say they have considered but rejected the idea of including shipping and handling in the price of an item.



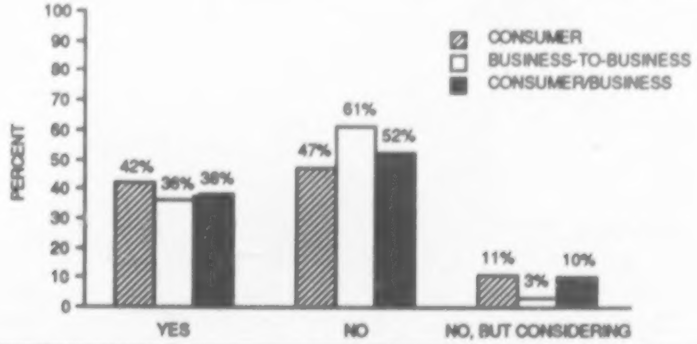
Source "Reprinted with permission from *Catalog Age Magazine*, Copyright December 1987."

DO YOU PAY POSTAGE COSTS FOR RETURNED MERCHANDISE?

The 1987 Catalog Age Report on marketing, outside list usage and analysis of fulfillment practices was conducted by comprehensive survey in July among Catalog Age subscribers. Of the 429 respondents, a little over 60% consist of consumer catalog companies, over 15% are business-to-business marketers, and nearly 20% market to both consumers and businesses.

The survey covers every aspect of the catalog business including creative/production, merchandising, marketing, list usage, database enhancements, fulfillment, strategic planning, and financial.

Most catalogers—51.5%—do not pay postage for returned merchandise. Consumer catalogers report that 41.6% of them do, and another 11.1% are considering adopting the policy.



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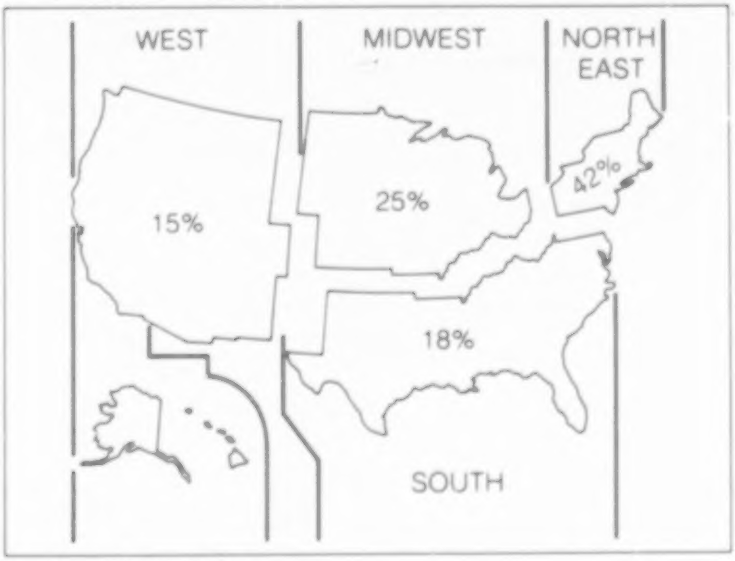
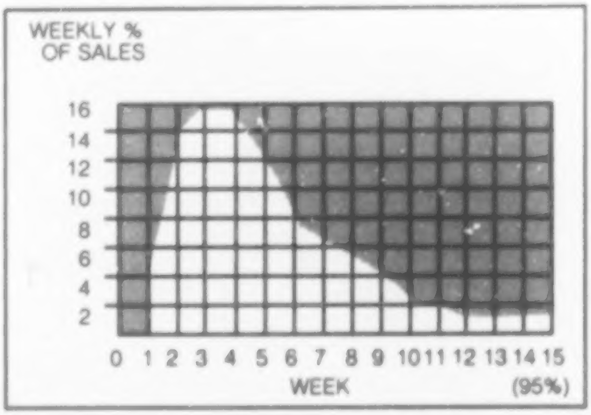
LOCATION OF CATALOG COMPANIES

The Future of Catalog Marketing and Productions: 1984–1989 was a multi-client sponsored research project conducted in September 1985 among 4,065 catalogs. The research method, database search, comprised analysis of sample catalogs and a combination of mail and telephone interviews of 1,503 people who are representatives of people in the catalog field.



Source: Strategic Futures Inc. 1985

TYPICAL CATALOG RESPONSE CURVE



update w/ new source

Developing response curves, which indicate the percent of sales for each week of the catalog response period, can be an effective way to gauge how much inventory is required for any given product. Often, the first week's response can give a reliable indication of final sales, especially for hot-selling items that will need to be reordered immediately.

Source: Fenvessy and Silbert, 1985

LEADING CATALOG MARKETERS

update Jay Walker

The list below of leading catalog marketers was compiled from *Standard Rate & Data Service* of September 14, 1987. Catalogers are ranked according to quantities of 12-month buyers. (Jay Walker, president, Catalog Media Corporation, assembled the information.)

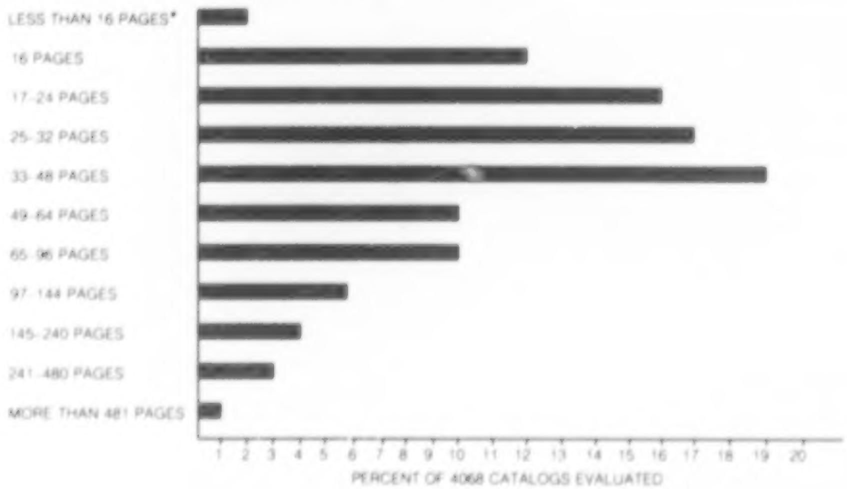
	Catalog name	Percentage of male buyers	Average order size	12-month buyers (in thousands)
1.	Spiegel	36%	$106	3,300
2.	Fingerhut	20	50	2,800
3.	Lillian Vernon	25	38	2,750
4.	L.L. Bean	50	60	2,600
5.	Avon Fashions	N/A	42	2,554
6.	Spencer Gifts	15	23	2,483
7.	L'Eggs	N/A	18	1,800
8.	Warshawsky/Whitney Company	90	35	1,500
9.	Current	1	50	1,400
10.	Lane Bryant	N/A	50	1,400
11.	Cabela's	92	60	1,183
12.	Figi's	32	50	1,059
13.	Swiss Colony	20	60	1,040
14.	Bass Pro Shops	90	50	1,000
15.	Lands' End	44	65	1,000
16.	Old Pueblo Traders	N/A	58	960
17.	Breck's	25	45	950
18.	Jackson & Perkins	39	45	888
19.	Hanover House	35	20	881
20.	Eddie Bauer	40	70	852
21.	Williams-Sonoma	15	45	844
22.	Popular Club Plan	2	80	800
23.	Talbots	10	100	790
24.	DAK	95	165	740
25.	Roaman's	N/A	50	700
26.	Gander Mountain	90	58	695
27.	J. Crew	25	75	635
28.	Harry & David	39	65	612
29.	Burpee	50	40	600
30.	Ambassador	N/A	33	572
31.	Park Seed	25	14	560
32.	Chadwick's of Boston	N/A	70	540
33.	Bloomingdale's By Mail Ltd.	12	85	524
34.	Barnes & Noble	70	35	520
35.	COMB	84	100	518
36.	Victoria's Secret	22	60	511
37.	Abbey Press	5	26	509
38.	Royal Silk	2	65	495
39.	The Tog Shop	3	80	480
40.	Bedford Fair	1	55	475
41.	Horchow Collection	30	80	429
42.	Spring Hill	25	40	425
43.	Taylor Gifts	15	44	418
44.	Neiman-Marcus	40	95	409
45.	Publisher's Central Bureau	40	30	400
46.	Tall Collection	N/A	50	400
47.	U.S. General	90	40	400
48.	Austad's	83	65	395
49.	Orvis	42	78	387
50.	Joan Cook	12	50	371
51.	The Sharper Image	82	150	370
52.	Frederick's of Hollywood	15	55	360
53.	Norm Thompson	45	75	350
54.	The Paragon	10	50	345
55.	Childcraft	15	53	340
56.	Comfortably Yours	11	42	335
57.	Vermont Country Store	20	39	335
58.	General Nutrition	32	22	333
59.	Night 'n Day Intimates	30	40	319
60.	Mason Shoe	70	48	315
61.	Lerner Sport	N/A	50	300
62.	Wear-Guard	63	50	300
63.	The Wisconsin Cheeseman	38	43	300
64.	Potpourri	10	51	294
65.	Bright's Creek	N/A	45	290
66.	Leichtung	85	60	285
67.	Banana Republic	60	75	276
68.	The Company Store	15	110	276
69.	Toys to Grow On	10	40	264
70.	Hold Everything	25	50	258
71.	Johnny Appleseed's	10	80	255
72.	REI	75	60	252
73.	Henry Field	75	22	251
74.	DRI	95	60	247
75.	Hammacher Schlemmer	40	120	243
76.	Clifford & Wills	N/A	60	242
77.	Willow Ridge	1	65	233
78.	Chelsea Collection	N/A	65	232
79.	Carroll Reed	15	95	226
80.	Trifles	30	70	226
81.	International Beauty Collection	N/A	20	223
82.	Charles Keath	10	110	220
83.	Hill Brothers	N/A	49	210
84.	James River Traders	55	67	210
85.	Wigs by Paula	N/A	45	210
86.	International Male	90	80	202
87.	Career Guild	N/A	85	200
88.	Forty-Seventh Street Photo	98	250	200
89.	Damart	55	60	197
90.	Brookstone	45	35	181
91.	Marshall Field's	20	78	181
92.	Fashion Galaxy	1	65	179
93.	Honeybee	13	138	178
94.	Omaha Steaks	65	75	177
95.	Brownstone Studio	5	127	173
96.	Sporting Edge	95	95	170
97.	Nature Company	32	52	162
98.	White Flower Farms	41	70	161
99.	Crate & Barrel	10	50	154
100.	Goldberg's Marine	80	100	150

Source: Catalog Age, Standard Rate and Data Service, January 1988

CATALOG TOTAL PAGING

delete

The following two charts are based on quantitative information obtained through mail and telephone surveys and also from analyses of over 4,000 actual catalogs gathered by Strategic Futures, Inc., a New York-based consulting firm in 1985.



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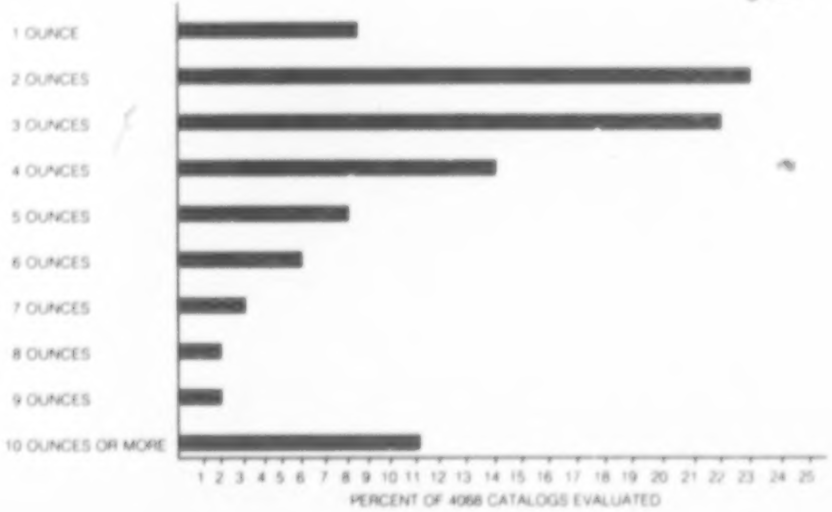
*A basic definition for the study was that a "catalog" contains 16 or more bound pages. Thus, catalogs with less than 16 pages were intentionally excluded, unless there were special circumstances that led to including them.

WEIGHT PER CATALOG

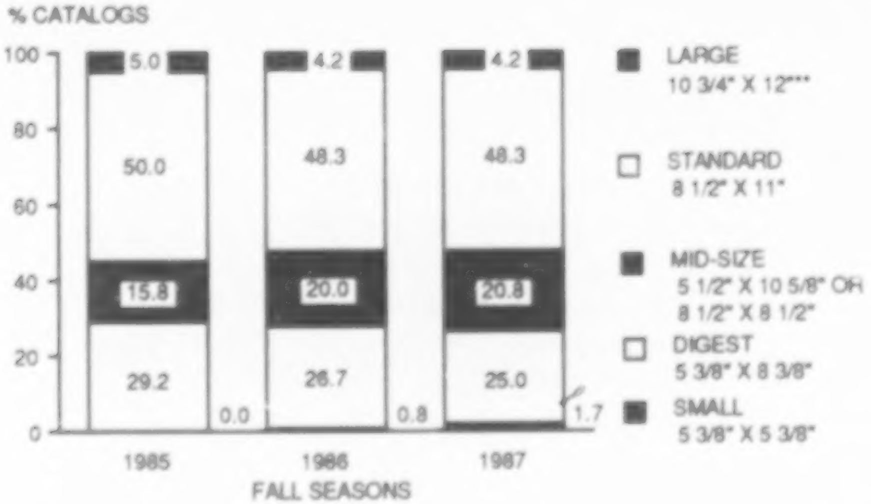
delete



Source: Strategic Futures inc. 1985

PAGE SIZE—1985–87*

update



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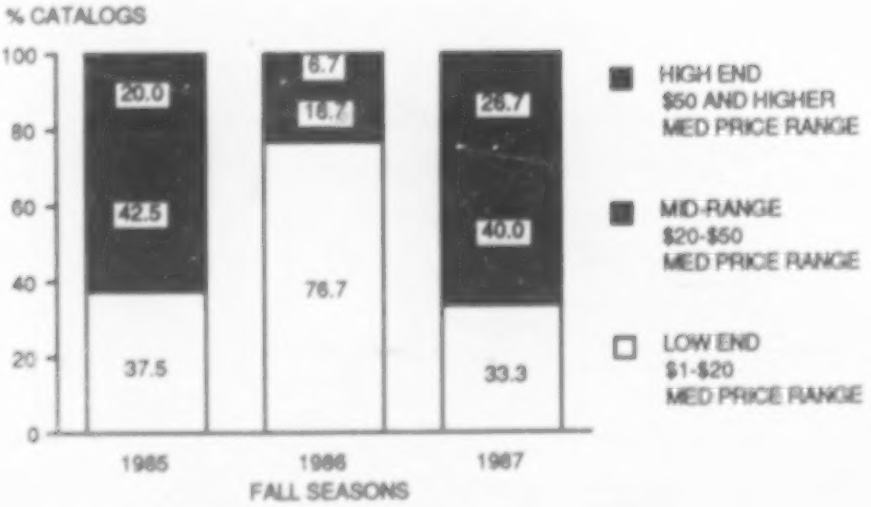
*CatalogSCAN™ data from the same 120 Fall catalogs published in 1985, 1986, and 1987.
**Note: All inch dimensions are approximate.

Source: Kestnbaum & Company, 1988

update

MEDIAN PER ITEM PRICE—1985–87*



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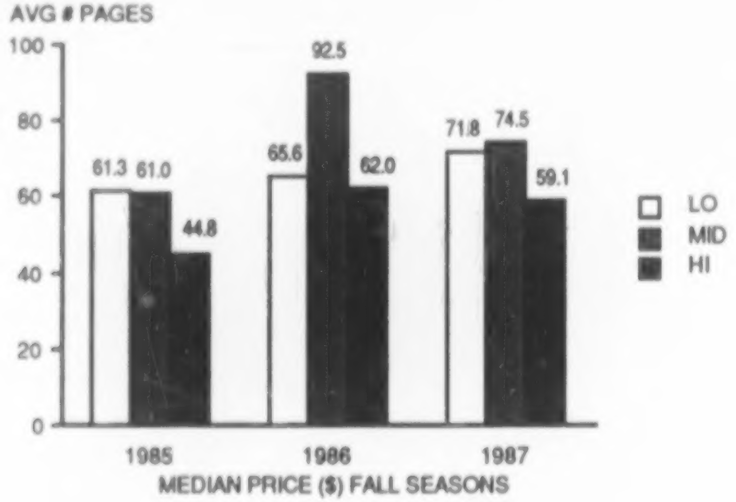
*CatalogSCAN™ data from the same 120 Fall catalogs published in 1985, 1986, and 1987.

Source: Kestnbaum & Company, 1988

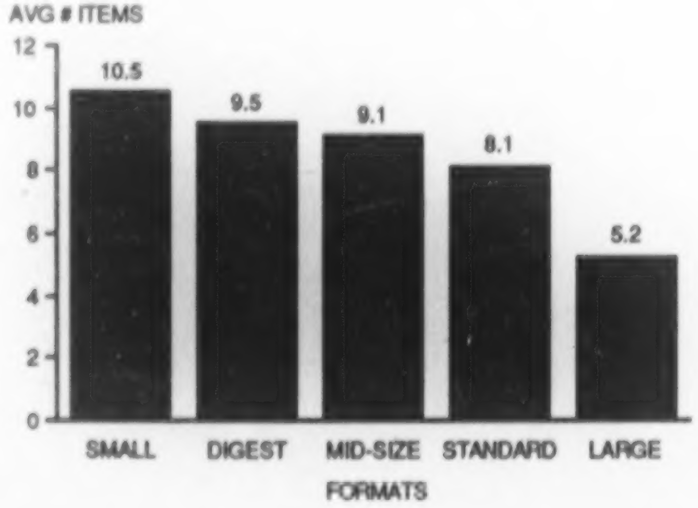
NUMBER OF PAGES BY PRICE RANGE—1985–87*



*CatalogSCAN™ data from the same 120 Fall catalogs published in 1985, 1986, and 1987

Source: Kestnbaum & Company, 1988

ITEMS PER PAGE FOR FIVE PAGE SIZES—1987*

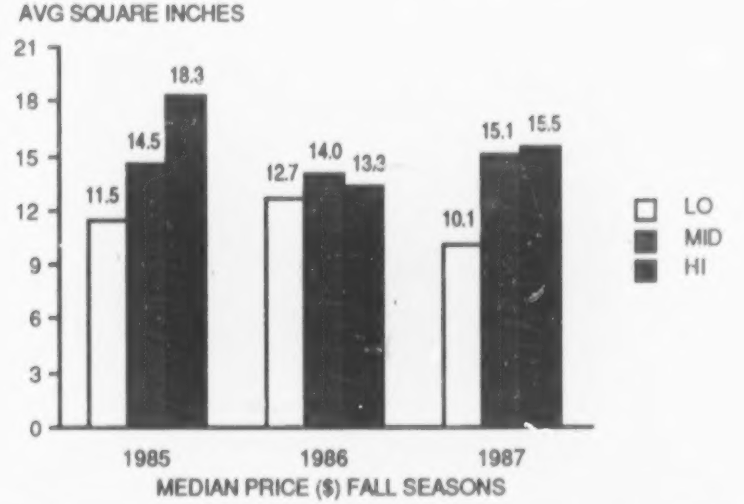


*CatalogSCAN™ data from the same 120 Fall catalogs published in 1985, 1986, and 1987.

Source: Kestnbaum & Company, 1988

SPACE PER ITEM—1985–87*

Update



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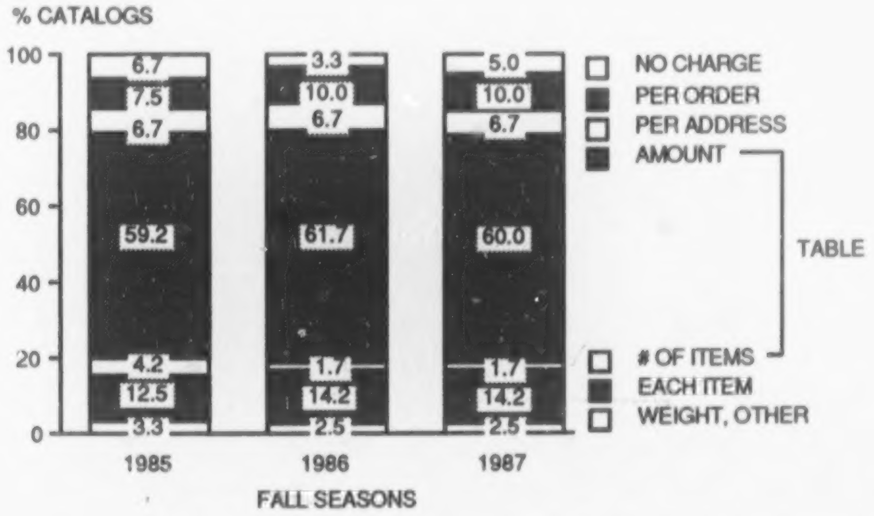
*CatalogSCAN™ data from the same 120 Fall catalogs published in 1985, 1986, and 1987.

Source: Kestnbaum & Company, 1988

SHIP CHARGE BASIS—1985–87*



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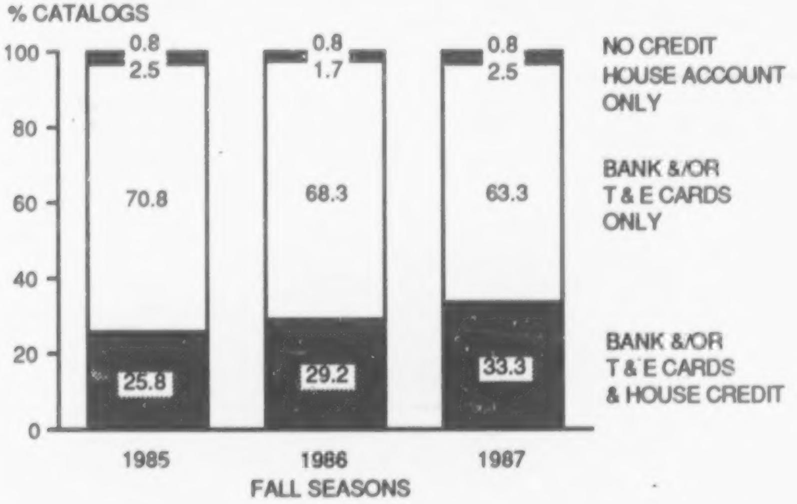
*CatalogSCAN™ data from the same 120 Fall catalogs published in 1985, 1986, and 1987.

Source: Kestnbaum & Company, 1988

update

CHARGE CARD AND HOUSE ACCOUNT CREDIT—1985–87*



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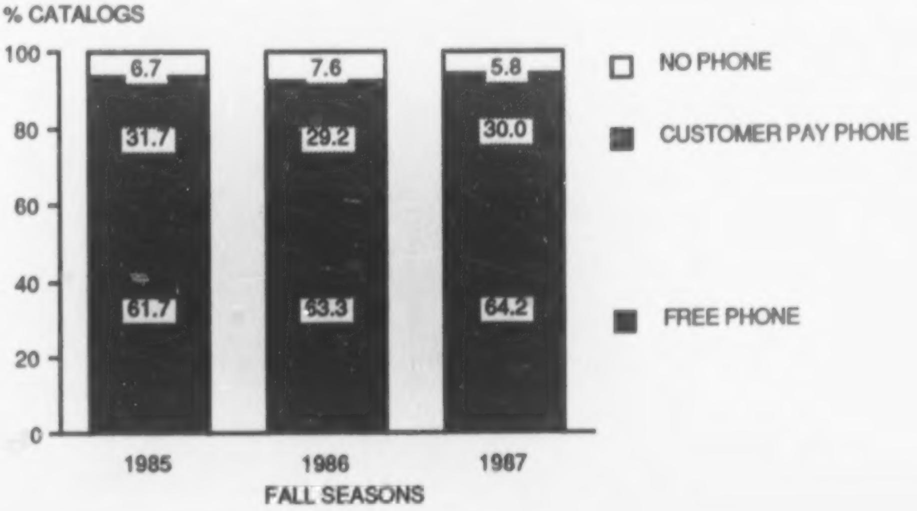
*CatalogSCAN™ data from the same 120 Fall catalogs published in 1985, 1986, and 1987.

Source: Kestnbaum & Company, 1988

ORDER PLACEMENT TELEPHONE SERVICE—1985–87*



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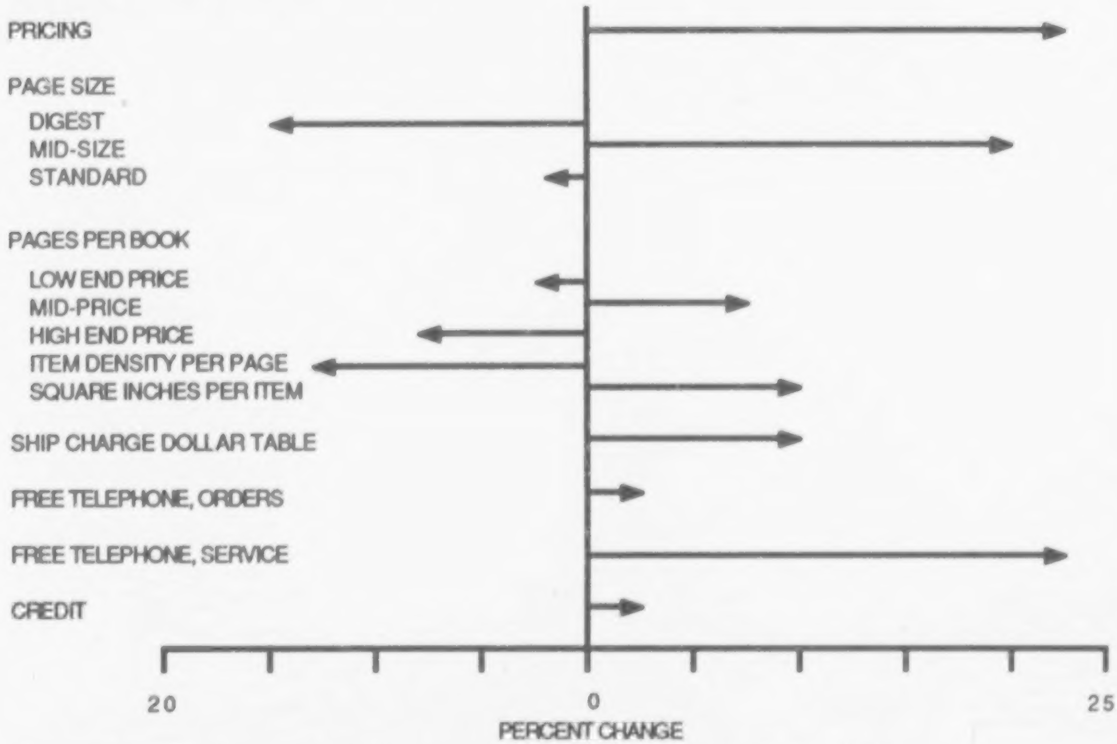
*CatalogSCAN™ data from the same 120 Fall catalogs published in 1985, 1986, and 1987.

Source: Kestnbaum & Company, 1988

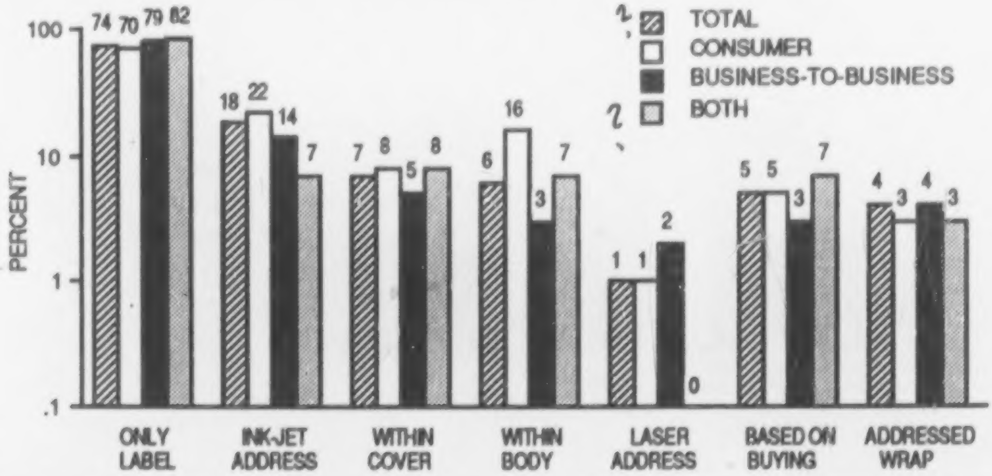
SUMMARY OF TRENDS 1983–85*



*CataiogSCAN™ data from the same 256 Fall catalogs published in 1983, 1984 and 1985.

Source: Kestnbaum & Company, 1986

WHAT FORM OF PERSONALIZATION DO YOU USE?



Note: Most responses—except use of printed label at 73.5% and ink-jet at 18.2%—are under 10%.

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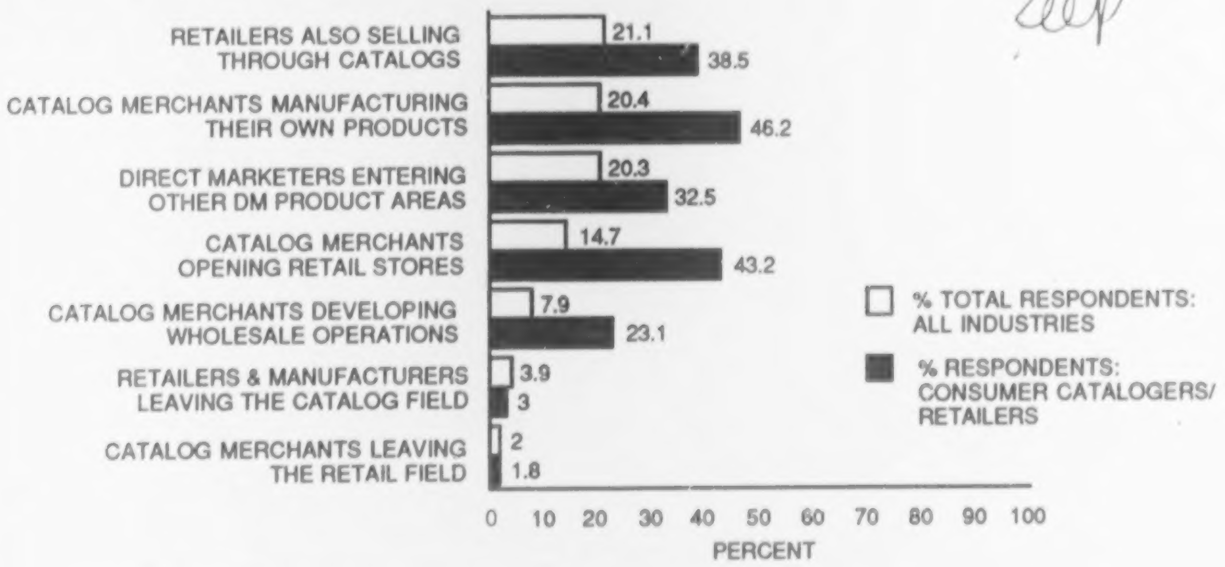
CATALOG DIVERSIFICATION: CURRENT TRENDS

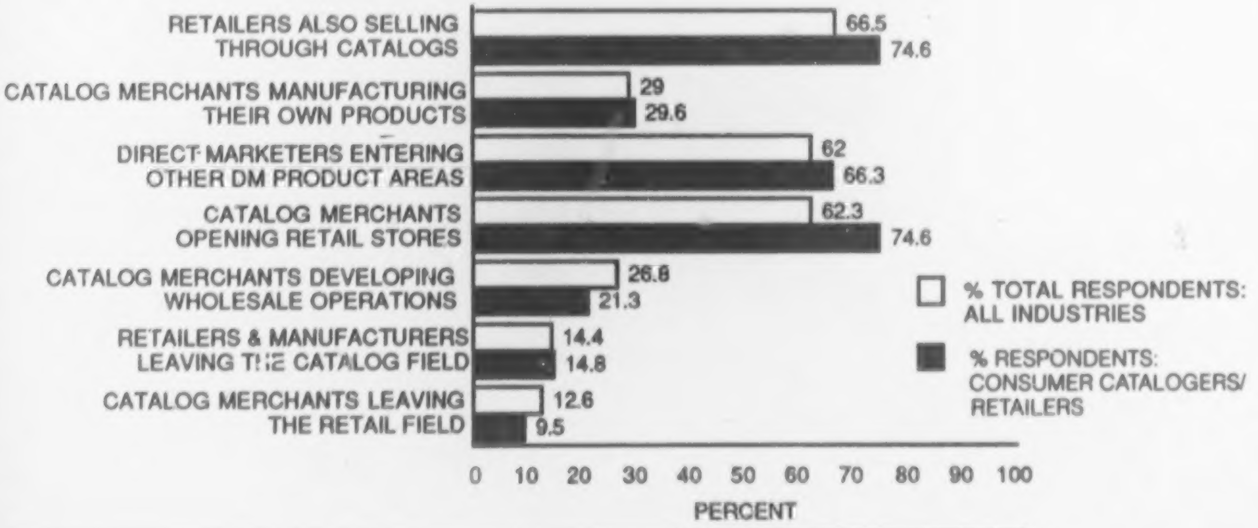
Keep



Source: DMA Research Department & Marketing Council, 1986

Keep

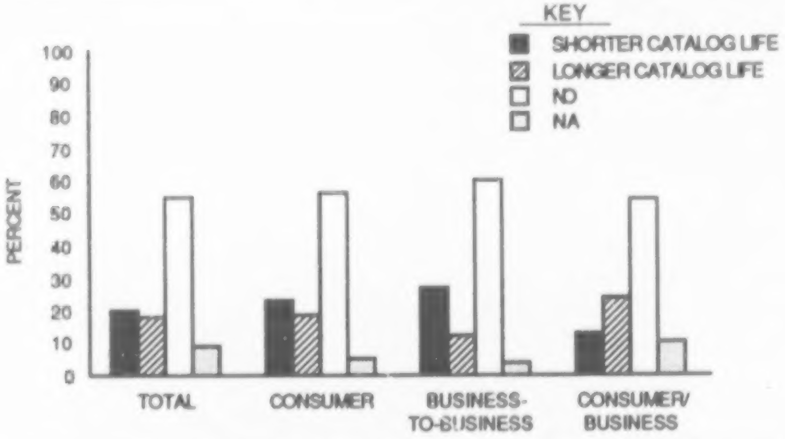
CATALOG DIVERSIFICATION: FUTURE TRENDS



Source: DMA Research Department & Marketing Council, 1986

HAVE YOU NOTICED A CHANGE IN RESPONSE PATTERNS?

Slightly over half of the consumer catalogs indicate that the life of the catalog has not changed significantly.



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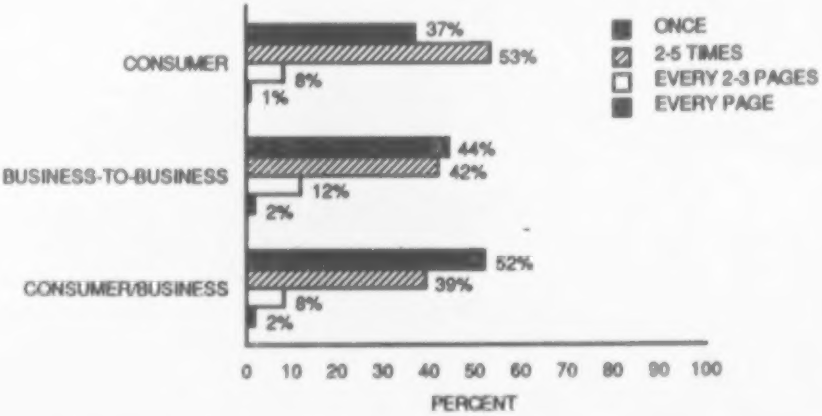
HOW OFTEN DO YOU STATE YOUR GUARANTEE IN YOUR CATALOG?

21

The 1987 Catalog Age Report on marketing, outside list usage and analysis of fulfillment practices was conducted by comprehensive survey in July among Catalog Age subscribers. Of the 429 respondents, a little over 60% consist of consumer catalog companies, over 15% are business-to-business marketers, and nearly 20% market to both consumers and businesses.

The survey covers every aspect of the catalog business including creative/production, merchandising, marketing, list usage, database enhancements, fulfillment, strategic planning, and financial.

Of all consumer catalogers, 53.4% state their guarantee two to five times in their catalogs. Business-to-business marketers as a group, report that 41.7% of them restate their guarantees.



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Do you use SA s to sell prod

DO YOU SELL PRODUCT IN SPACE ADVERTISEMENTS?

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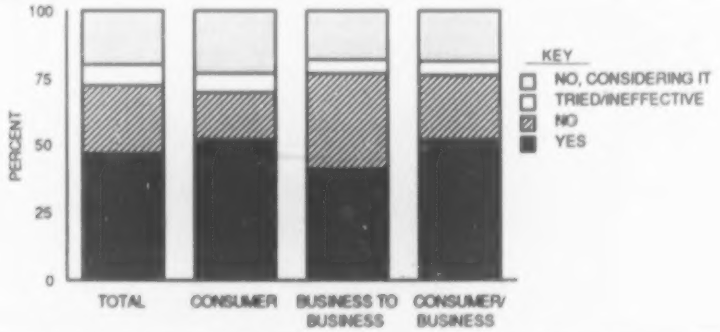
The survey covers every aspect of the catalog business including creative/production, merchandising, marketing, list usage, database enhancements, fulfillment, strategic planning, and financial.

Consumer-oriented catalogers are most likely to sell product off the page.



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HAVE YOU EVER USED OR DO YOU PLAN TO USE A CUSTOMER RETENTION PROGRAM?

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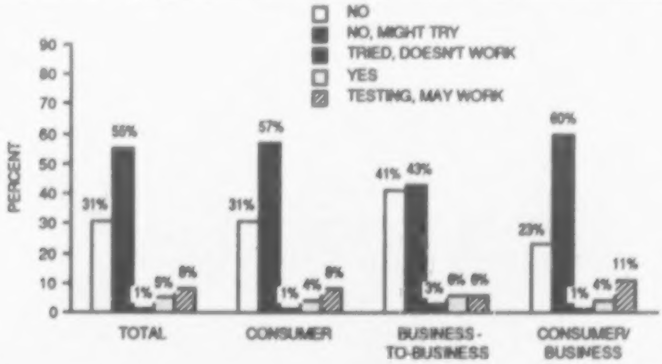
Most catalogers, when asked if they had used or were planning to develop any customer retention programs, such as frequent buyer bonus program, say that they have not put such a program into effect buy would be interested in trying. Only 8.4% of all catalogers have a program in place that they think works; 4.6% overall indicate that they have had a program in the past and would try one out again.



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DO YOU HAVE A SPECIAL PROSPECTING CATALOG?

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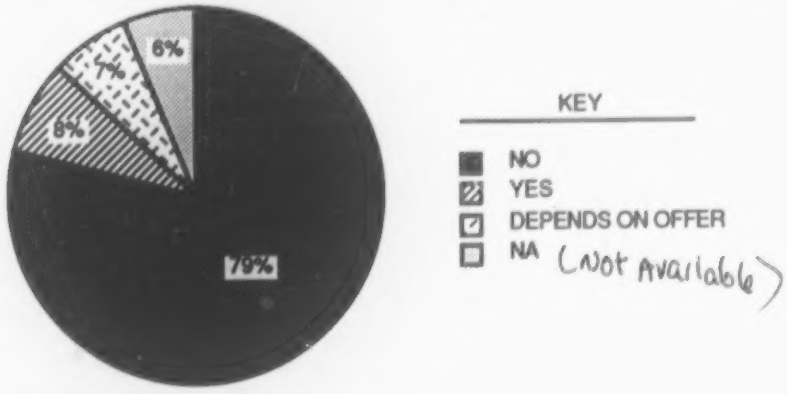

Source: Catalog Age, December 1987

DO YOU OFFER OVERNIGHT SHIPPING?

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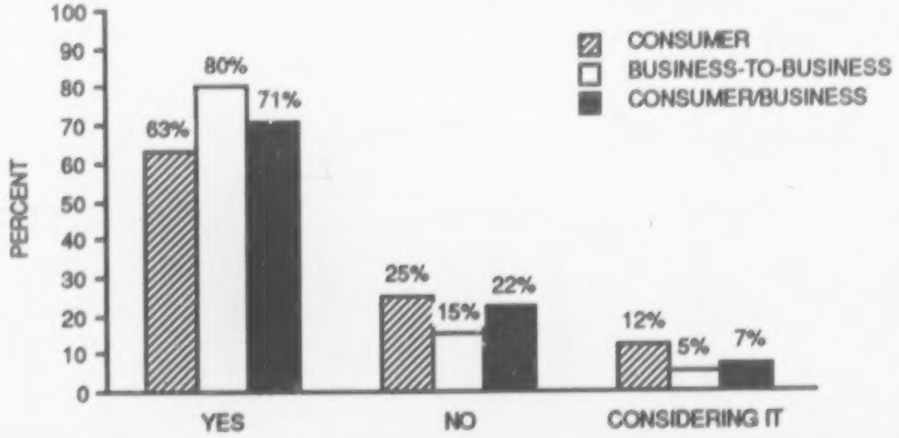

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DO YOU HAVE AN 800 NUMBER OR A REGULAR BUSINESS PHONE NUMBER IN YOUR CATALOG FOR ORDERING?

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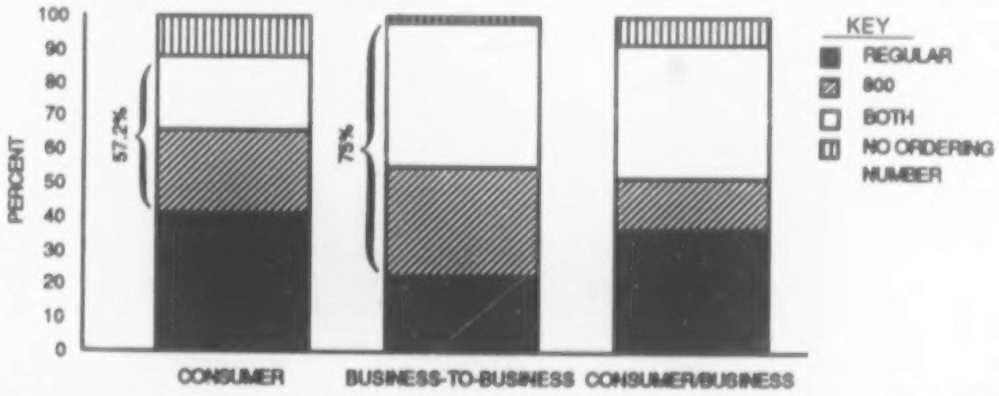
Business marketers are most likely to pay for the call.



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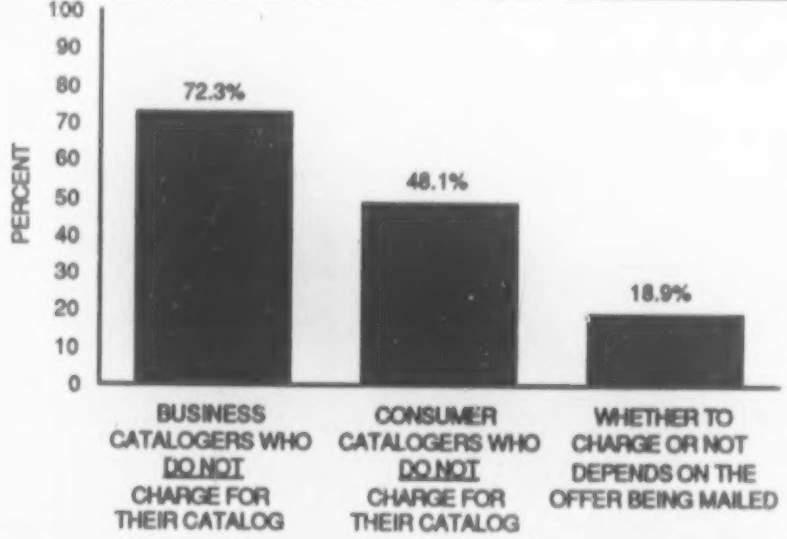
DO YOU CHARGE FOR YOUR CATALOG?

Qualifying leads by charging for catalogs is *not* widespread. Nearly half of all consumer catalogers *do not* charge for their catalogs.



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REASONS WHY SOME CATALOGERS CONDUCT MARKET RESEARCH

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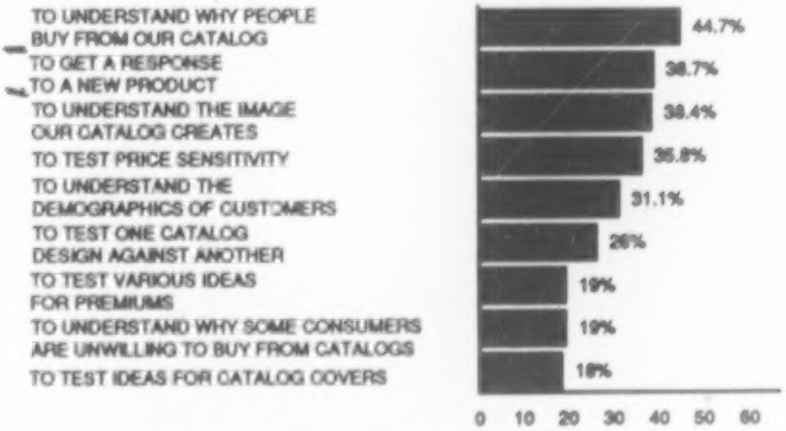

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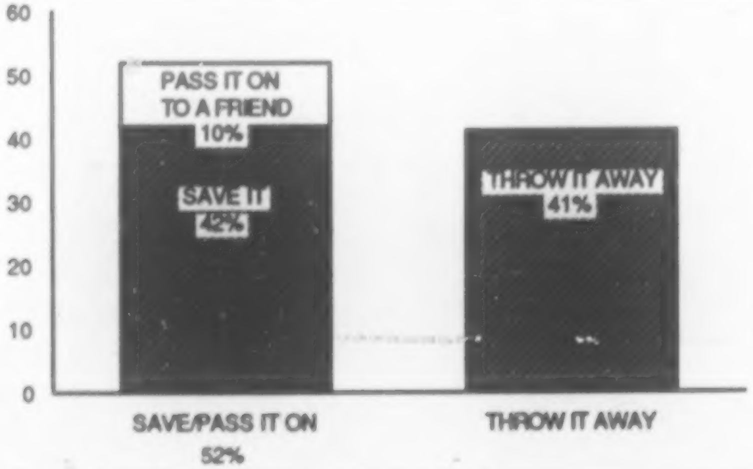
WHAT HAPPENS TO USED CATALOGS

The Gallup Organization's Survey, Life of a Catalog, was conducted by telephone during July 1987 among 1,005 adults.

About 4 in 10 catalog readers (42%) said they usually save the catalog after looking through it, and an almost identical proportion (41%) mentioned that they throw the catalog away once they have thumbed through it. When the 1 in 10 who pass their catalogs on to a friend are considered, the result is a majority of readers (52%) who rescue catalogs from the trash heap and create the potential for more orders.



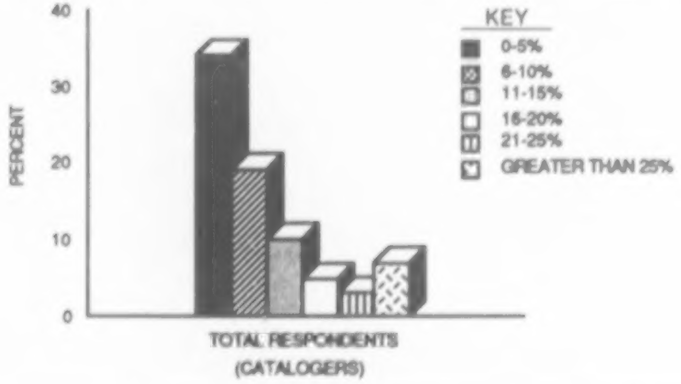
Source: Target Marketing, Gallup Survey, January 1988

CONVERSION RATES FROM FREE CATALOGS

The 1987 Catalog Age Report on catalog trends and practices was conducted by comprehensive survey in July among Catalog Age subscribers. Of the 429 respondents, a little over 60% consist of consumer catalog companies, over 15% are business-to-business marketers, and nearly 20% market to both consumers and businesses.

The survey covers every aspect of the catalog business including creative/production, merchandising, marketing, list usage, database enhancements, fulfillment, strategic planning, and financial.

What percent, roughly, of your leads turn to buyers?



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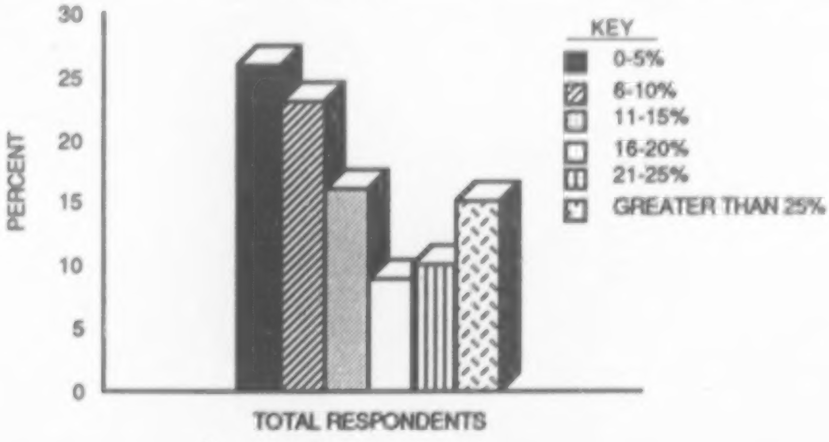
CONVERSION RATES FROM PAID CATALOGS

The Catalog Age Report on marketing, outside list usage, and analysis of fulfillment practices was conducted by comprehensive survey in July among Catalog Age subscribers. Of the 429 respondents, a little over 60% consist of consumer catalog companies, over 15% are business-to-business marketers, and nearly 20% market to both consumers and businesses.

The survey covers every aspect of the catalog business including creative/production, merchandising, marketing, list usage, database enhancements, fulfillment, strategic planning, and financial.



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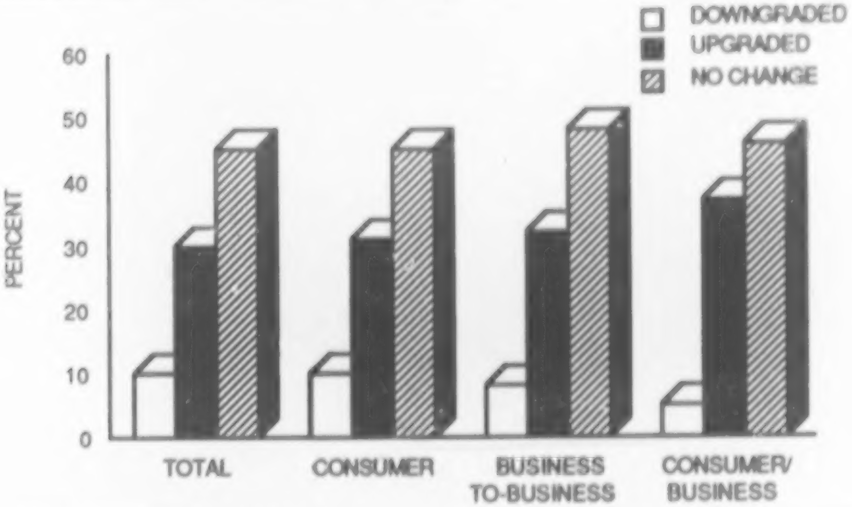
HAVE YOU UPGRADED OR DOWNGRADED PAPER QUALITY DURING THE LAST TWO YEARS?

Over the past two years, 32.2% of all catalogers indicate that they have upgraded paper, although the majority—53%—say they made no change.



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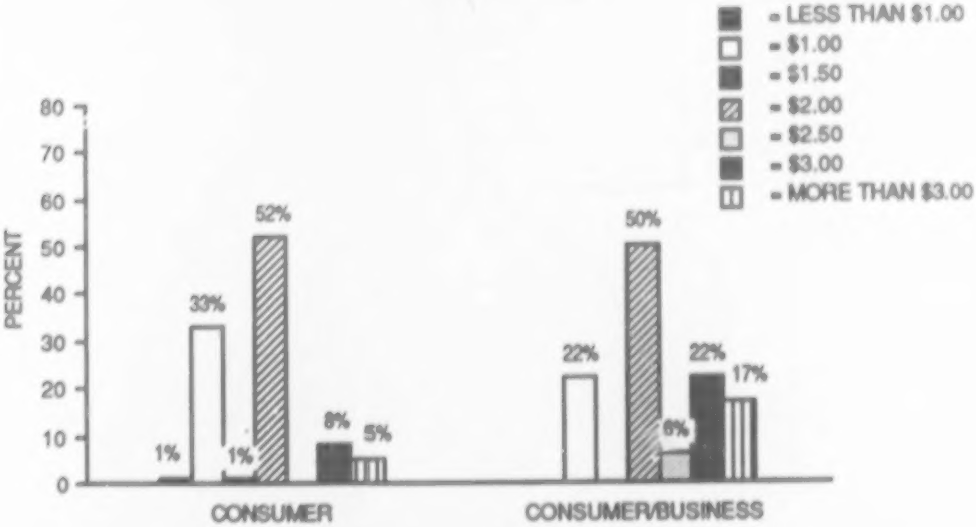
AMOUNTS CONSUMER-ORIENTED MARKETERS CHARGE FOR THEIR CATALOGS

Generally responses fall on even—as opposed to half—dollar marks.

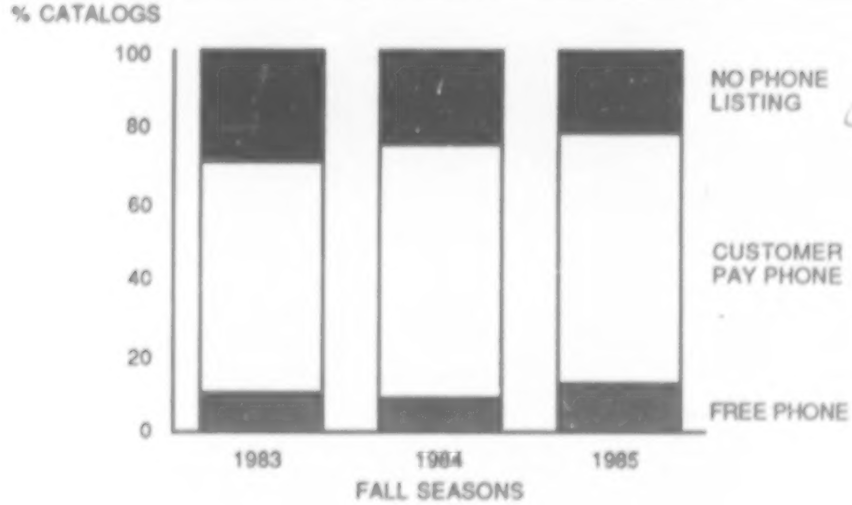


Source: Reprinted with permission from *Catalog Age Magazine*. Copyright December 1987

USE OF CUSTOMER SERVICE TELEPHONE NUMBERS IN CATALOGS

1983–85

The Kestnbaum and Company CatalogScan® was conducted by mail survey during Fall 1983, 1984 and 1985 among the same 256 catalogs.

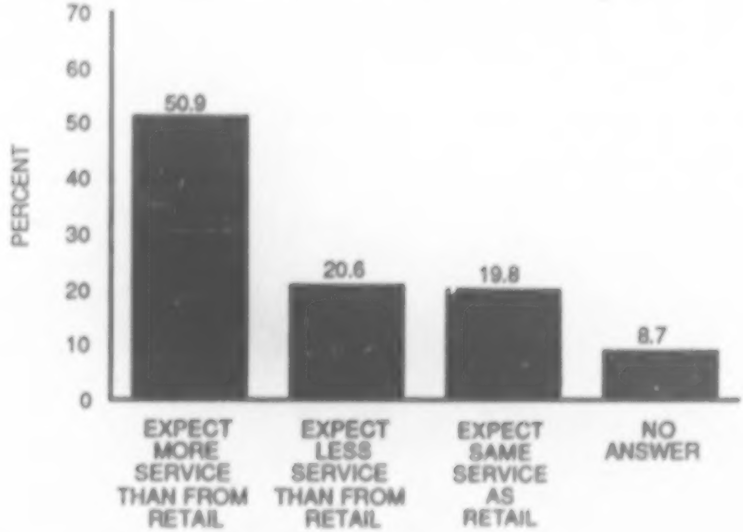


get #5

800 #

Source: Kestnbaum & Company, 1986

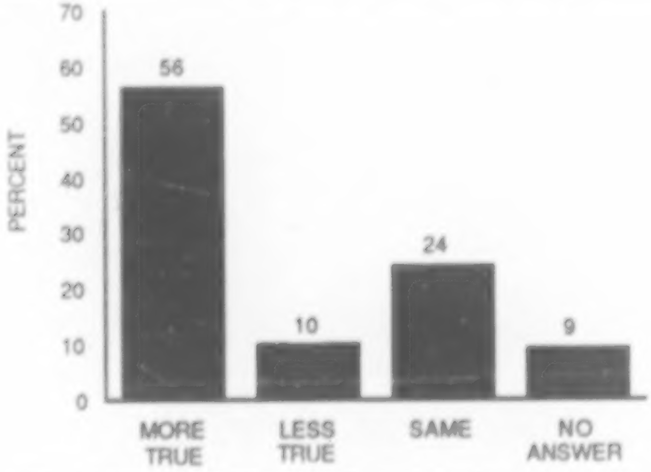
DIRECT MARKETERS' VIEW OF CURRENT CUSTOMER EXPECTATIONS REGARDING CATALOG SERVICE VS. RETAIL SERVICE



Source: DMA Research Department & Marketing Council, 1986

DIRECT MARKETERS' VIEW OF CUSTOMER EXPECTATIONS REGARDING CATALOG SERVICE VS. RETAIL SERVICE NOW VS. 5 YRS. AGO

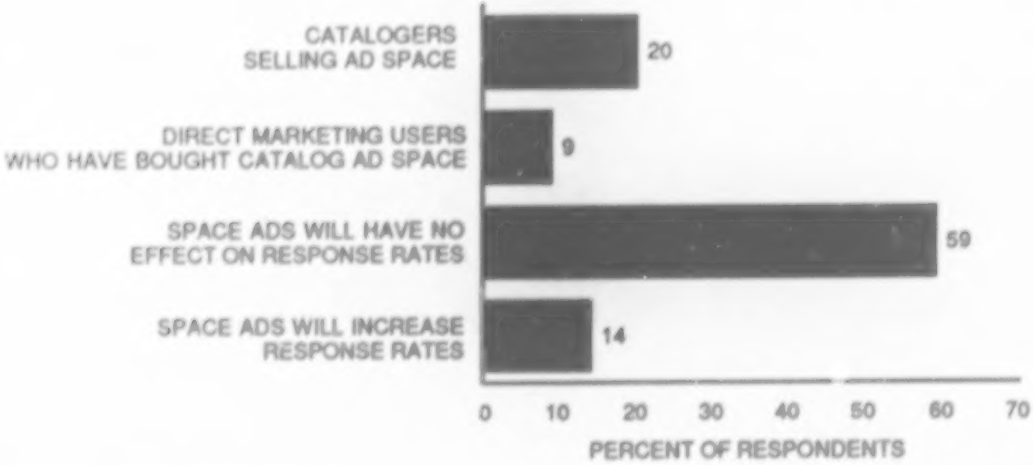
Customers expect more service from catalogs vs. retailers now vs. 5 years ago



Source: DMA Research Department & Marketing Council, 1986

DIRECT MARKETERS' VIEWS ABOUT SPACE ADVERTISING IN CATALOGS

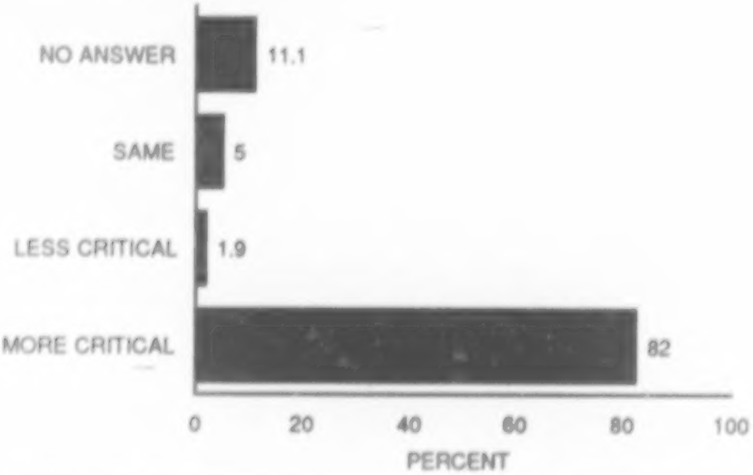
The DMA Management Survey of Current Direct Marketing Practices and Trends was conducted by mail in August 1986 among 4,550 companies. A 22 percent response rate was achieved.



Source: DMA Research Department, Marketing Council, 1986

DIRECT MARKETERS' VIEW OF FUTURE CUSTOMER EXPECATIONS — REGARDING CATALOG SERVICE VS. RETAIL SERVICE:

THE LEVEL OF CATALOG SERVICE BECOMING
MORE OR LESS CRITICAL IN THE FUTURE



Source: DMA Research Department & Marketing Council, 1986

• TELEPHONE

CONSUMER ATTITUDES

BUYING HABITS

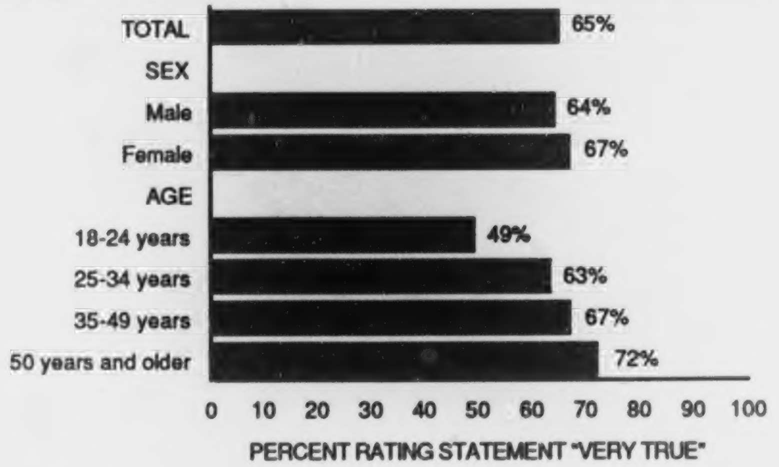
COSTS

TRENDS

DEMOGRAPHIC ANALYSIS OF ATTITUDES TOWARD TELEPHONE CALLS +

The Gallup Survey, Ringing Up Annoyance, was conducted by personal interviews from October 21–28, 1986 among 1,559 adults. - Clarified

"I think it is annoying when salespeople call me at home to sell products."



update

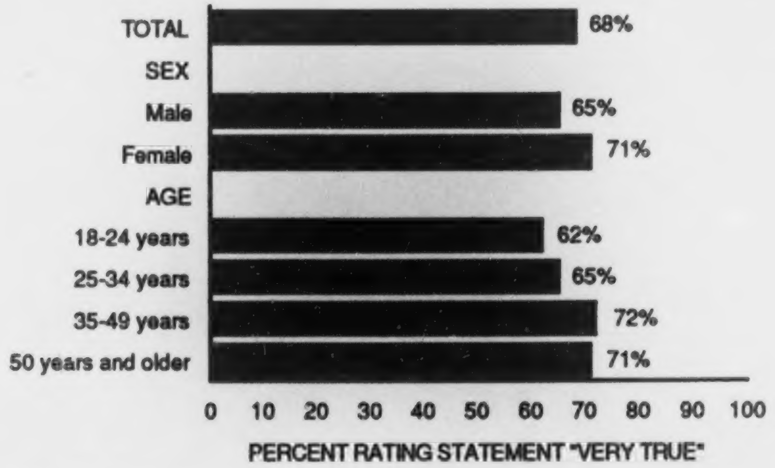
Source: Gallup Survey, Target Market Magazine, February 1987

New Roper study

change title

DEMOGRAPHIC ANALYSIS OF ATTITUDES TOWARD TELEPHONE CALLS

"When I receive a promotional phone call, I would rather speak to a person than listen to a computer-generated announcement."

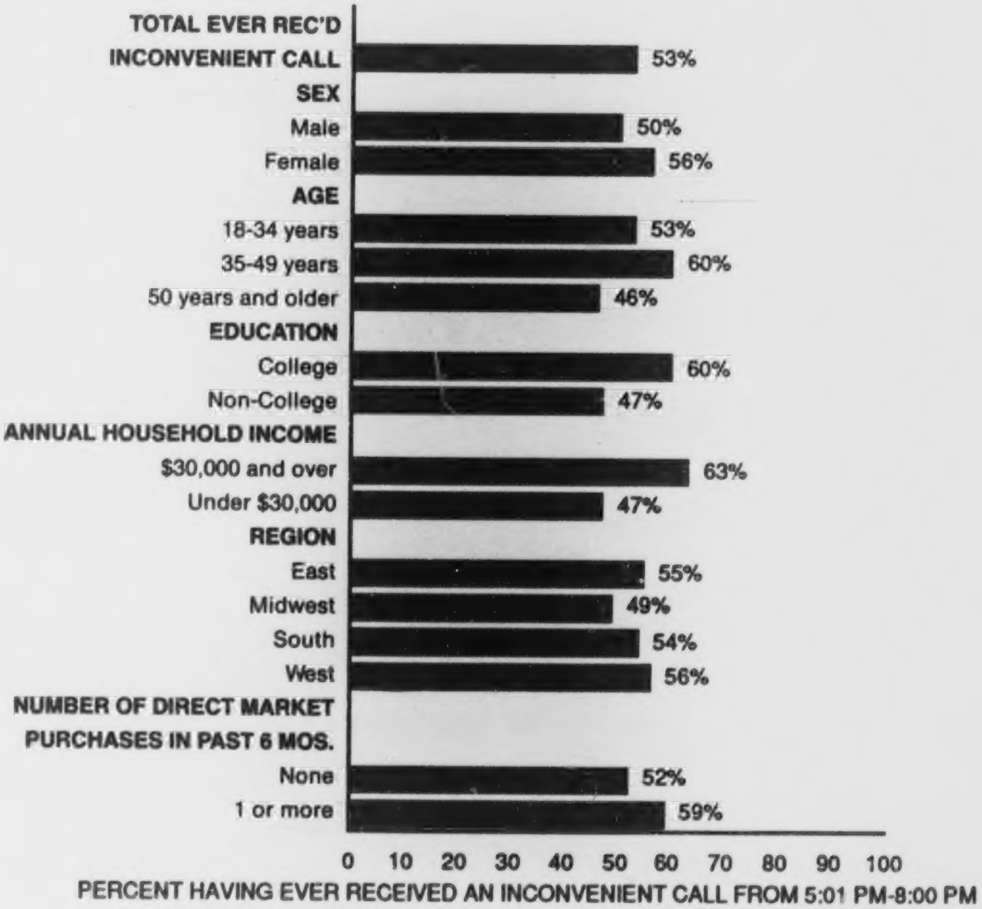


update.

Source: Gallup Survey, 1986

THE DEMOGRAPHIC VIEWPOINT CONCERNING INCONVENIENT CALLS

delete



Source: Gallup Organization, July 1987

CONSUMER ATTITUDES TOWARD TELEMARKETING
BY AGE

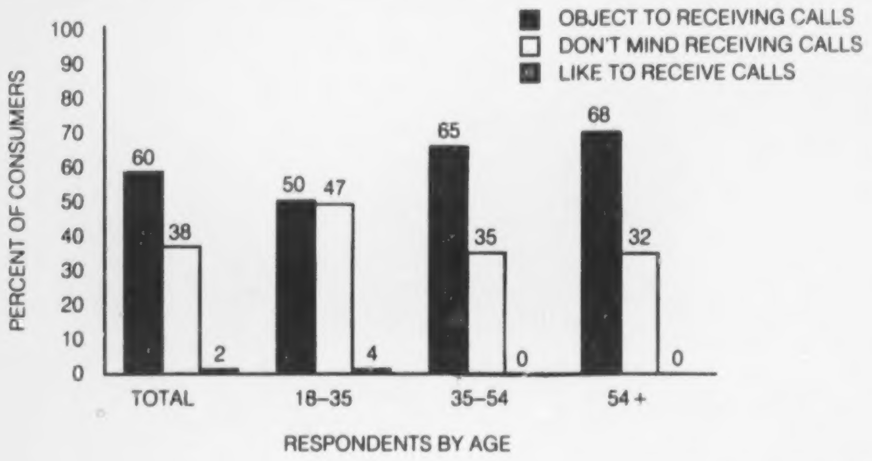
Schlenker Research Services Report on The Current Use and Anticipated Growth of Telemarketing in American Business was conducted by Telephone interview in 3 separate studies.

The In-House Operation Study was among 707 companies.

The Service Bureau Study was among 64 companies.

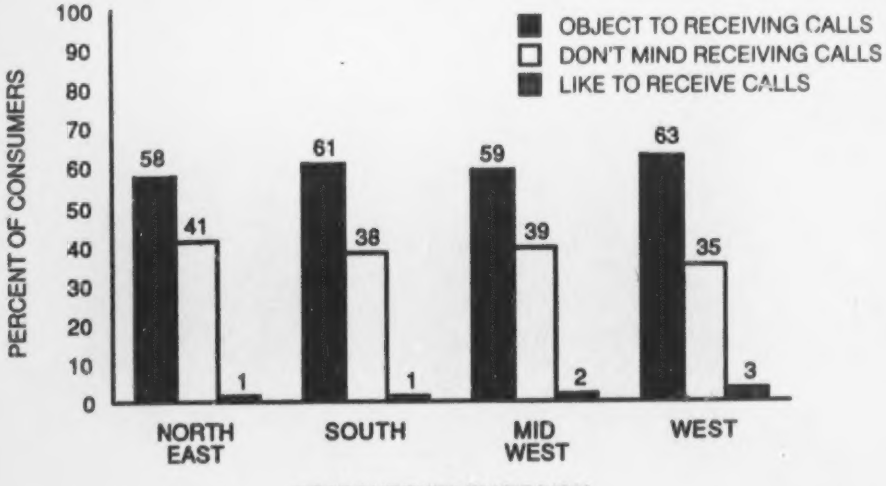
The Consumer Attitudes Study was among 600 consumers.

All parts were conducted in June 1987.



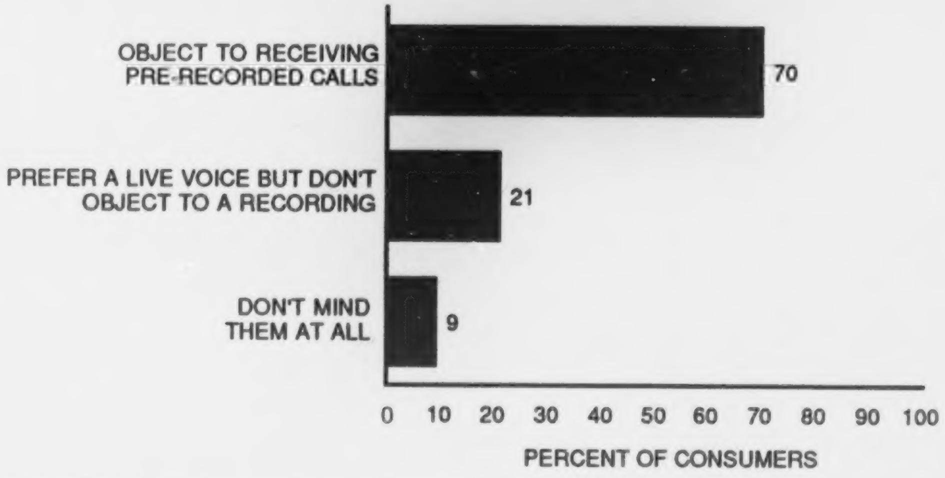
Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

CONSUMER ATTITUDES TOWARD TELEMARKETING
BY REGION



Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

CONSUMER ATTITUDES TOWARD RECEIVING PRE-RECORDED CALLS



Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

simplify title

AGREE/DISAGREE WITH STATEMENTS REGARDING TELEMARKETING: PEOPLE WHO MAKE THE CALLS DO SO IN A FRIENDLY & COURTEOUS MANNER BY REGION AND CALL FREQUENCY

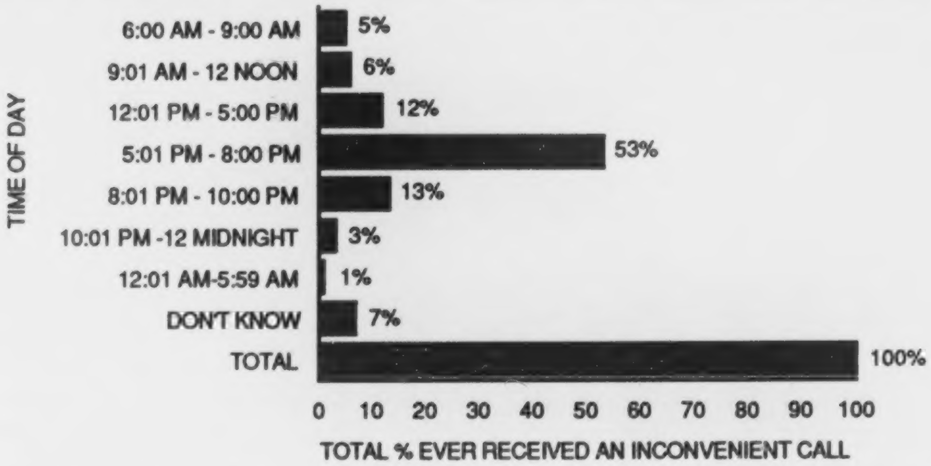
	REGION					NUMBER OF TIMES CALLED IN PAST THREE MONTHS			RECEIVED PRE-RECORDED CALLS	
	TOTAL	NORTH EAST	SOUTH	MID WEST	WEST	NOT AT ALL	1–4 TIMES	5 OR MORE	YES	NO
STRONGLY AGREE	57%	60%	57%	57%	50%	51%	59%	56%	55%	59%
SLIGHTLY AGREE	34%	26%	35%	34%	41%	31%	32%	37%	34%	33%
SLIGHTLY DISAGREE	2%	2%	2%	3%	1%	3%	2%	2%	2%	2%
STRONGLY DISAGREE	2%	3%	1%	3%		3%	2%	2%	3%	1%
NEITHER AGREE NOR DISAGREE	5%	9%	4%	4%	8%	12%	4%	3%	6%	5%

Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

WHEN NOT TO CALL

keep

The Gallup Organization's in depth study of the Future of Direct Marketing was conducted by telephone interviews during a twelve month span during calendar year 1987. Approximately 1,000 consumers were interviewed each month, generating over 12,000 respondents. The study focused on consumer behavior regarding catalogs and other mail order advertising, consumer attitudes for purchasing by direct response media and consumer motivations for purchasing by direct response media.



Source: Gallup Organization, July 1987

SOURCE OF OFFERS FOR ITEMS ORDERED BY PHONE IN LAST 12 MONTHS

	Total U.S. '000	Ordered by Phone in Last 12 Months '000	%	Magazines '000	%	Newspapers '000	%	T.V. '000	%
Total Adults	173681	22003	12.7	6617	3.8	2346	1.4	4717	2.7
Males	82598	8745	10.6	2986	3.6	813	1.0	2117	2.6
Females	91083	13258	14.6	3631	4.0	1533	1.7	2601	2.9
18–24	27154	3131	11.5	1132	4.2	**289	1.1	948	3.5
25–34	42000	6411	15.3	2104	5.0	566	1.3	1407	3.3
35–44	32529	5276	16.2	1536	4.7	590	1.8	1054	3.2
45–54	22698	3095	13.6	808	3.9	*371	1.6	608	2.7
55–64	21980	2737	12.5	586	2.7	*339	1.5	*428	1.9
65 and older	27319	1353	5.0	*370	1.4	*190	0.7	*273	1.0
Graduated College	30437	5382	17.7	1640	5.4	618	2.0	844	2.8
Attended College	32211	5119	15.9	1678	5.2	*579	1.8	1124	3.5
Graduated High School	68358	8533	12.5	2427	3.6	936	1.4	2005	2.9
Did Not Graduate High School	42675	2970	7.0	872	2.0	**214	0.5	745	1.7
Professional/Manager	26966	4786	17.7	1518	5.6	*401	1.5	891	3.3
Tech./Clerical/Sales	34963	5868	16.8	1903	5.4	817	2.3	1215	3.5
Precision Craft	14199	1695	11.9	*410	2.9	**136	1.0	*339	2.4
Other Employed	29036	3223	11.1	997	3.4	*302	1.0	675	2.3
Single	37160	4012	10.8	1353	3.6	*441	1.2	1101	3.0
Married	105311	15014	14.3	4470	4.2	1533	1.5	2847	2.7
Divorced/Separated/Widowed	31210	2977	9.5	794	2.5	*372	1.2	769	2.5
Parents	58618	9104	15.5	2850	4.9	846	1.4	1803	3.1
Northeast	39000	4333	11.1	1252	3.2	706	1.8	748	1.9
East Central	24545	3447	14.0	1042	4.2	*389	1.6	671	2.7
West Central	28615	4753	16.6	1242	4.3	*318	1.1	775	2.7
South	51567	6240	12.1	2122	4.1	*514	1.0	1796	3.5
Pacific	29953	3230	10.8	959	3.2	*419	1.4	728	2.4
Metro Central City	53046	6165	11.6	2019	3.8	905	1.7	1423	2.7
Metro Suburban	80473	10608	13.2	3212	4.0	1075	1.3	2243	2.8
Non Metro	40161	5230	13.0	1386	3.5	*367	0.9	1051	2.6
Household income $60,000 or more	16548	2883	17.4	1028	6.2	**362	2.2	*635	3.8
$50,000 or more	26626	4766	17.9	1713	6.4	*565	2.1	991	3.7
$40,000 or more	47419	7898	16.7	2695	5.7	893	1.9	1519	3.2
$30,000 or more	76841	12737	16.6	4169	5.4	1408	1.8	2462	3.2
$30,000–$39,999	29422	4839	16.4	1475	5.0	*515	1.8	944	3.2
$20,000–$29,999	35594	4872	13.7	1467	4.1	*507	1.4	1160	3.3
$10,000–$19,999	36140	2861	7.9	636	1.8	*249	0.7	641	1.8
Under $10,000	25107	1533	6.1	*346	1.4	**183	0.7	*454	1.8
Household Size 1 Person	21267	1730	8.1	410	1.9	227	1.1	395	1.9
2 People	54138	6215	11.5	1895	3.5	718	1.3	1324	2.4
3 or 4 People	70725	10276	14.5	3180	4.5	1032	1.5	2197	3.1
5 or More People	27550	3784	13.7	1133	4.1	**369	1.3	*801	2.9
No Child in Household	101867	11486	11.3	3234	3.2	1130	1.3	2605	2.6
Child(ren) under 2 years	14740	2062	14.0	697	4.7	**197	1.3	*490	3.3
2–5 Years	25443	3991	15.7	1348	5.3	*361	1.4	903	3.5
6–11 Years	31478	5103	16.2	1409	4.5	*471	1.5	964	3.1
12–17 Years	33498	4935	14.7	1616	4.8	*479	1.4	797	2.4
Residence owned	119593	16796	14.0	5064	4.2	1801	1.5	3369	2.8
Value: $60,000 or more	65738	9887	15.0	3199	4.9	1258	1.9	1828	2.8
Value: Under $60,000	53855	6909	12.8	1865	3.5	*544	1.0	1542	2.9

*Projection relatively unstable because of sample base—use with caution.
**Number of cases too small for reliability—shown for consistancy only.

Source: Simmons Market Research Bureau, Inc. 1987.

Substitute w/ Telemktg Mgr

1985 TELEMARKETING AGENCY/SERVICE BUREAU SALARIES VS. IN-HOUSE FACILITY SALARIES BY OUTBOUND AND INBOUND CALLING FUNCTIONS

The DMA Telephone Marketing Council Employment Survey II, was conducted by mail in October 1986 among 866 companies. a 21% response rate was achieved. The results of this study provide a profile of respondents and analysis of compensation on a total respondent base as well as by geographic location, and type of operation.

At all levels, for both inbound and outbound, telephone marketers that work for companies with in-house telemarketing facilities earn more than their counterparts at telemarketing agencies/service bureaus. In many cases, the percent difference is 20% or greater.

When comparing what percent base salary represents of total income, we find that base salary represents more of total income for TM agency/service bureau employees than in-house facility employees. On the average, by all titles, the percent base salary represents ranges from 87%–98% for TM agency employees and between 73%–96% for employees of in-house facilities. The lowest base salary represented for in-house TM employees is 1%, and the lowest it goes for TM service bureau employees is 10% (both are for the manager/director function).

The charts below indicate these differences by title and type of facility (both outbound and inbound).

	OUTBOUND SALARIES			AVERAGE PERCENT BASE SALARY REPRESENTS—OUTBOUND		
TITLE	TM AGENCY	IN-HOUSE	% DIFFERENCE	TM AGENCY	IN-HOUSE	TOTAL
MANAGER/DIRECTOR						
AVERAGE	$ 36,075	$ 38,480	+ 6%	87%	75%	82%
HIGHEST PAID	100,000	150,000	+33%			
FULL-TIME SUPERVISOR						
AVERAGE	$ 19,028	$ 21,836	+13%	97%	84%	90%
HIGHEST PAID	35,000	60,000	+42%			
PART-TIME SUPERVISOR						
AVERAGE	$ 7.23/hr.	$11.84/hr.	+39%	98%	75%	88%
HIGHEST PAID	12.00/hr.	19.00/hr.	+37%			
FULL-TIME REPRESENTATIVE						
AVERAGE	$ 7.22/hr.	$ 9.29/hr.	+22%	92%	84%	81%
HIGHEST PAID	15.00/hr.	33.00/hr.	+55%			
PART-TIME REPRESENTATIVE						
AVERAGE	$ 6.60/hr.	$ 7.42/hr.	+11%	92%	73%	85%
HIGHEST PAID	18.00/hr.	35.26/hr.	+49%			

	INBOUND SALARIES			AVERAGE PERCENT BASE SALARY REPRESENTS—INBOUND		
TITLE	TM AGENCY	IN-HOUSE	% DIFFERENCE	TM AGENCY	IN-HOUSE	TOTAL
MANAGER/DIRECTOR						
AVERAGE	$ 34,556	$ 39,788	+13%	95%	79%	88%
HIGHEST PAID	67,200	75,000	+10%			
FULL-TIME SUPERVISOR						
AVERAGE	$ 16,922	$ 21,797	+22%	98%	87%	92%
HIGHEST PAID	34,800	40,000	+13%			
PART-TIME SUPERVISOR						
AVERAGE	$ 6.79/hr.	$ 8.63/hr.	+21%	100%	96%	98%
HIGHEST PAID	12.00/hr.	19.00/hr.	+37%			
FULL-TIME REPRESENTATIVE						
AVERAGE	$ 7.69/hr.	$ 7.23/hr.	– 6%	87%	91%	90%
HIGHEST PAID	12.00/hr.	16.83/hr.	+29%			
PART-TIME REPRESENTATIVE						
AVERAGE	$ 5.26/hr.	$ 6.37/hr.	+17%	98%	91%	94%
HIGHEST PAID	10.00/hr.	16.83/hr.	+41%			

Source: DMA Research Department.

IN-HOUSE OUT BOUND TELEMARKETING COST WORKSHEET

OUTBOUND: 9:00 A.M. TO 5:00 P.M.
MONTHLY EXPENSE STATEMENT

REPRESENTATIVES PHONE HOURS (1235) **DIRECT EXPENSES**	**COST**	**COST/PHONE HOUR**
A. LABOR		
MANAGER (⅓ TIME)	$ 1,500	$ 1.21
SUPERVISOR (FULL TIME)	3,000	2.43
REPRESENTATIVES (10 FULL TIME)	18,000	14.58
ADMIN. (2 FULL TIME)	2,426	1.96
TAX AND FRINGE (⅓ OF WAGES)	12,296	9.96
INCENTIVE	12,000	9.72
SUBTOTAL	$49,222	$39.86
B. PHONE		
EQUIPMENT AND SERVICE	350	.28
LINES:		
• WATS	9,228	7.47
• MTS (MESSAGE TOLL SERVICE)	3,075	2.50
SUBTOTAL	$12,653	$10.25
C. AUTOMATION		
DEPRECIATION	4,950	1.58
MAINTENANCE	731	.59
SUBTOTAL	2,681	2.17
D. OTHER		
LISTS	3,088	2.50
MAIL/CATALOGS	617	.50
POSTAGE	309	.25
MISCELLANEOUS	1,235	1.00
SUBTOTAL	$ 5,249	$ 4.25
TOTAL DIRECT	$69,805	$56.52
G&A (15%)	10,471	8.48
TOTALS	$80,276	$65.00

BASIS FOR EXPENSE STATEMENT:

LABOR

Manager: Annual = $54,000 × ⅓ allocation = $1,500/month
Supervisor: Annual = $36,000 at full allocation = $3,000/month
Representatives: $8.65/hour × 40 hours/week × 52 weeks
full allocation = $1800/month
6.5 phone hours/day × 19 days/month = 123.5 phone hours/month
Admin: $7.00/hour × 40 hours/week × 52 weeks at full allocation = $1213/month
Tax and fringe: 33.3% of wages (including contest incentives)
Incentive: Reps Only—40% of Total Renumeration

PHONE Step Rate 18 plus Band 5*

WATS = 35 minutes (50%) per labor hour WATS connect time:
1235 × 50% = 617 billable WATS hours plus 10 lines @ $31.65/line access
MTS (Message Toll Services) =
5 minutes per labor hour connect time:
1235 × 8.3% = 102.5 Message Toll @ 0.50 Min. = $3,075

COMPUTATIONS:

1. @ 12 TDs (total dialings) per rep phone hour cost per dial = $5.42
2. @ 15 TDs (total dialings) per rep phone hour cost per dial = $4.33
3. @ 5 DMCs (decision-maker contacts) per phone hour cost per DMC = $13.00
4. @ 6 DMCs (decision-maker contacts) per phone hour cost per DMC = $10.83
5. @ 1 Order per rep phone hour cost per order = $65.00
6. @ 3 Orders per rep phone hour cost per order = $21.67

---

*Step Rate 18 (Local State) plus Band 5 (all other continental states plus Puerto Rico and Virgin Islands).

Source: Successful Telemarketing, Bob Stone & John Wyman published by National Textbook, 1986. Statistics updated in 1987

IN-HOUSE IN BOUND TELEMARKETING COST WORKSHEET

INBOUND: 9:00 A.M. TO 5:00 P.M.
MONTHLY EXPENSE STATEMENT

REPRESENTATIVE PHONE HOURS (1235) DIRECT EXPENSES	COST	COST/PHONE HOUR
A. LABOR		
MANAGER (⅓ TIME)	$ 1,250	$ 1.01
SUPERVISOR (FULL TIME)	2,750	2.23
REPRESENTATIVES (10 FULL TIME)	16,000	12.95
ADMIN. (2 FULL TIME)	2,426	1.96
TAX AND FRINGE (⅓ OF WAGES)	8,134	6.59
INCENTIVE	2,000	1.62
SUBTOTAL	$32,560	$26.36
B. PHONE		
EQUIPMENT AND SERVICE	1,489	1.21
LINES:		
• WATS	12,819	10.38
• MTS (MESSAGE TOLL SERVICE)	—	—
SUBTOTAL	$14,308	$11.59
C. OTHER		
LISTS	—	—
MAIL/CATALOGS	2,470	1.00
POSTAGE	1,235	.50
MISCELLANEOUS	1,000	.81
SUBTOTAL	$ 4,705	$ 2.31
TOTAL DIRECT	$51,573	41.76
G&A (15%)	7,736	6.26
TOTALS	$59,309	$48.02

BASIS FOR EXPENSE STATEMENT

LABOR

Manager: Annual = $45,000 × ⅓ allocation = $1,250/month
Supervisor: Annual = $33,000 at full allocation = $2,750/month
Representatives: $9.23/hour × 40 hours/week × 52 weeks
full allocation = $1600/month
6.5 phone hours/day × 19 days/month = 123.5 phone hours/month
Admin: $7.00/hour × 40 hours/week × 52 weeks full allocation = $1213/month
Tax and fringe: 33.3% of wages (including contest incentives)
Incentives: Reps Only—$2,000/month

PHONE

WATS (800) = *Step Rate 18 plus Band 5
42 minutes (70%) per labor hour WATS Connect Time: 1235 hours × 0.70% = 865 billable WATS hours plus 10 lines @ $36.80/line access

NOTE

The average number of calls handled per rep phone hour is 12 @ 2.3 minutes each. As high as 15 per phone hour during peaks.

COMPUTATIONS:

1. @ 12 calls/hour = $3.93/call
2. @ 15 calls/hour = $3.14/call
3. @ 1 Order/rep phone hour = $47.00 per order
4. @ 6 Order/rep phone hour = $7.85 per order

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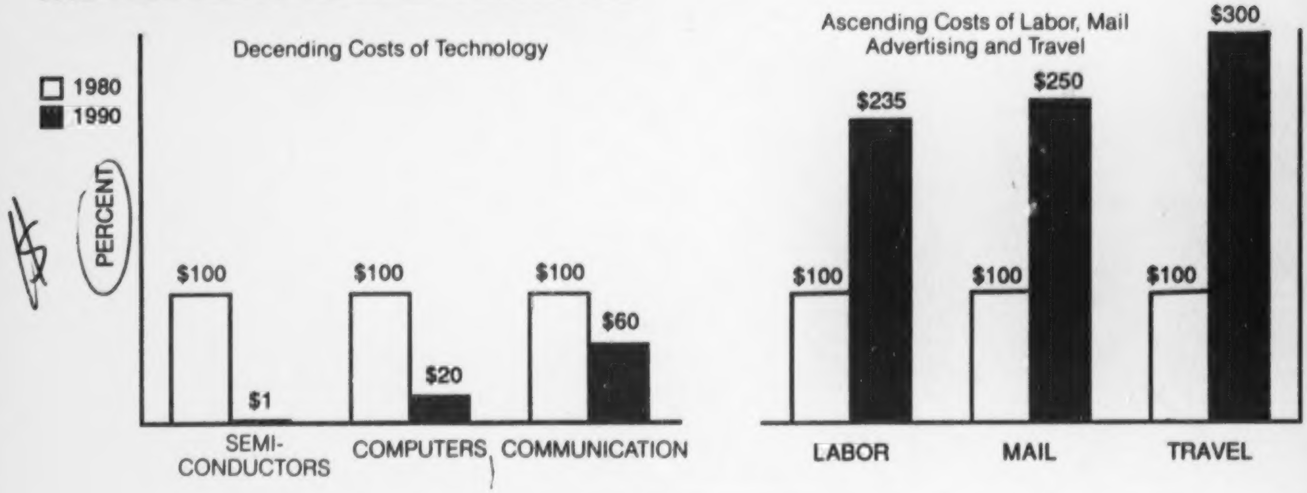
*Step Rate 18 (Local State) plus Band 5 (all other continental states plus Puerto Rico and Virgin Islands).

Source: Successful Telemarketing, Bob Stone & John Wyman published by National Textbook, 1986. Statistics updated in 1987

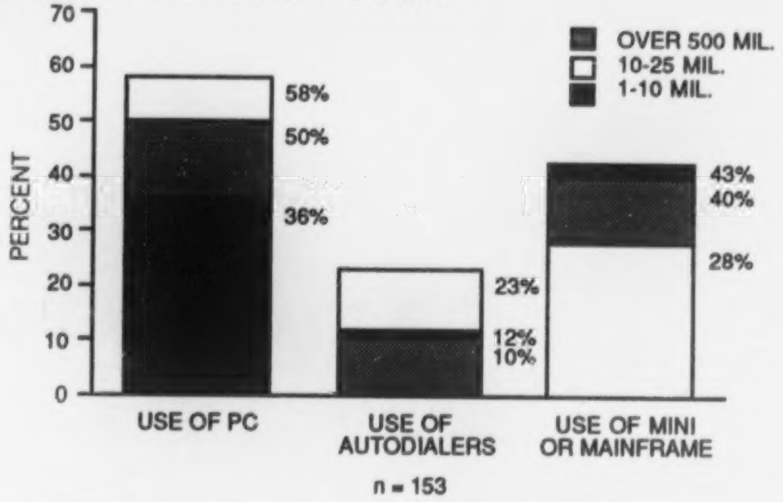
TECHNOLOGICAL IMPACT ON COSTS
THE 1980's DECADE—COST DYNAMICS



Source: Successful Telemarketing, Bob Stone and John Wyman published by National Textbook. 1986.

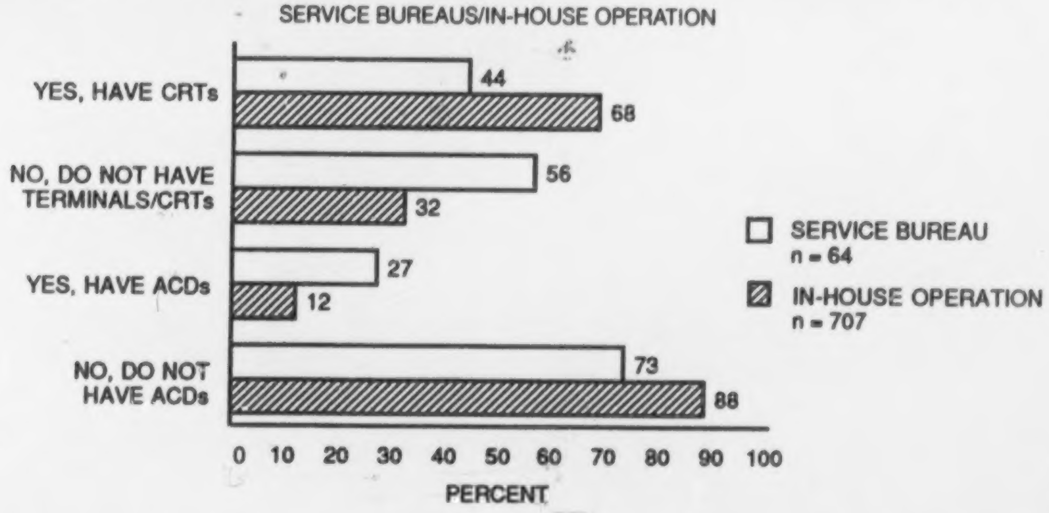
If update use
if no - delete

LEVEL OF AUTOMATION BY SALES VOLUME



Source: CRC Information Systems, 1987; Telemarketing Magazine, February, 1987

INCIDENCE OF FIRMS HAVING COMPUTER TERMINALS (CRTs) AND AUTOMATIC CALL DISTRIBUTORS (ACDs)

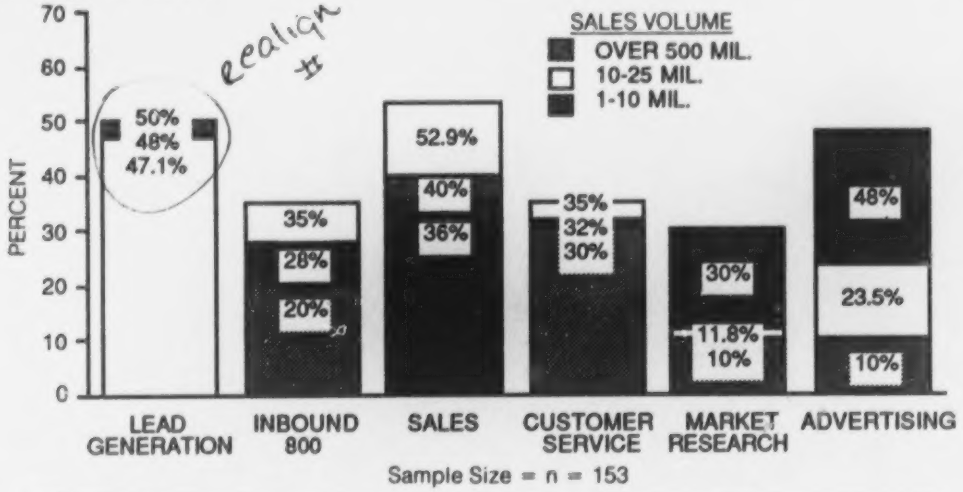


Source: Schlenker Research Services, 1987

TYPES OF TELEMARKETING CAMPAIGNS BY SALES VOLUME

smaller type

Example: 50% of companies with over 500 million dollars in sales use telemarketing to do lead generation.



realign it

use

Source: CRC Information Systems, 1987; Telemarketing Magazine, February, 1987.

BENEFITS OFFERED BY TELEMARKETING FIRMS BY TYPE OF OPERATION IN 1985

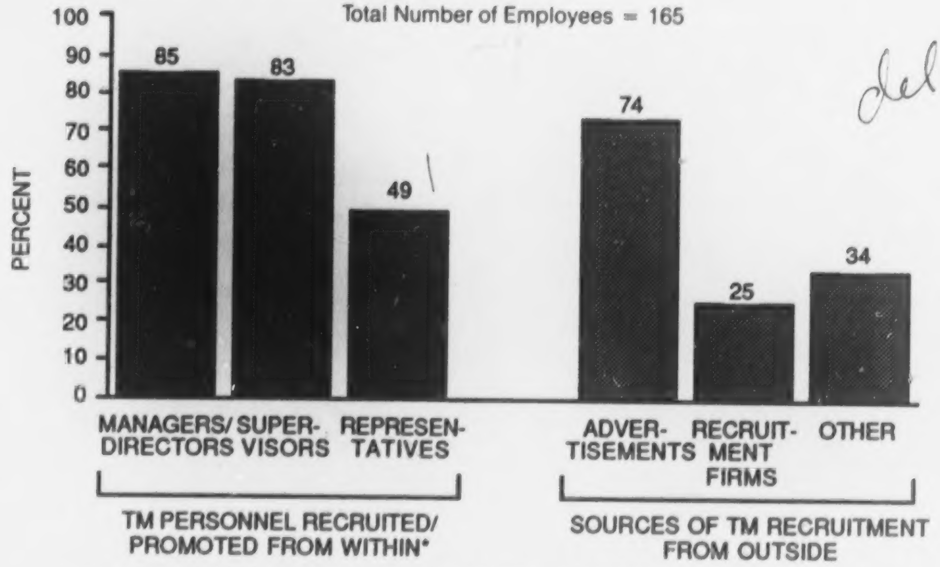
delete

				PRIMARILY		PRIMARILY		TM GROSS SALES		
TITLE/COMPENSATION BENEFITS*	TOTAL n=(163/100%)	TM AGENCY n=(46/100%)	IN-HOUSE n=(117/100%)	OUT-BOUND+ n=(116/100%)	INBOUND+ n=(56/100%)	CON-SUMERS+ n=(73/100%)	BUSI-NESSES+ n=(95/100%)	−$1M n=(36/100%)	$1M–9.9M n=(68/100%)	$10M+ n=(48/100%)
MANAGERS/DIRECTORS										
PROFIT SHARING	44%	**44%**	**46%**	**47%**	43%	**51%**	38%	**44%**	35%	54%
GUARANTEED BONUSES	13%	12%	15%	13%	13%	14%	13%	3%	18%	15%
NON-GUARANTEED BONUSES	**46%**	37%	70%	41%	**55%**	48%	**44%**	39%	**49%**	**56%**
INCENTIVE PLANS	29%	29%	28%	30%	32%	30%	31%	19%	25%	44%
COMMISSIONS	10%	14%	2%	11%	13%	6%	14%	11%	2%	10%
SUPERVISORS										
PROFIT SHARING	28%	26%	33%	26%	32%	37%	21%	14%	29%	38%
GUARANTEED BONUSES	7%	6%	9%	7%	7%	7%	7%	0%	10%	8%
NON-GUARANTEED BONUSES	29%	24%	44%	23%	39%	34%	26%	28%	28%	38%
INCENTIVE PLANS	**34%**	**33%**	37%	**31%**	**41%**	**37%**	**33%**	17%	**38%**	**42%**
COMMISSIONS	14%	16%	7%	14%	14%	10%	16%	8%	12%	17%
REPRESENTATIVES										
PROFIT SHARING	21%	24%	13%	21%	25%	22%	19%	14%	21%	23%
GUARANTEED BONUSES	6%	6%	4%	4%	9%	6%	5%	0%	9%	6%
NON-GUARANTEED BONUSES	26%	23%	35%	26%	25%	26%	27%	33%	25%	27%
INCENTIVE PLANS	**58%**	**57%**	**63%**	**60%**	**59%**	**58%**	**60%**	**47%**	**66%**	**63%**
COMMISSIONS	41%	42%	37%	43%	36%	30%	46%	31%	43%	48%

+ Represents 50% or more of company's TM Activity.
Bold Face Numbers represent highest % in each area.

* Does not equal 100% due to multiple answers.
Source: DMA Research Department, 1986.

TELEMARKETING RECRUITMENT METHODS



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*DOES NOT EQUAL 100% DUE TO MULTIPLE RESPONSES

Source: DMA Research Department, 1986.

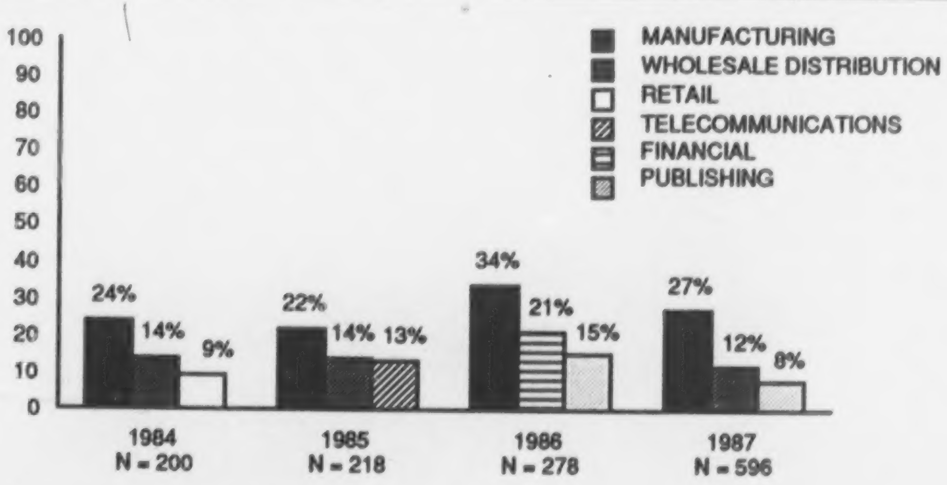
TOP 3 INDUSTRIES USING TELEMARKETING EACH YEAR (1984–1987)

The Fifth Annual Telemarketing Compensation Update was conducted in May 1987 by mail among 5000 Telemarketing magazine subscribers. A 14 percent response rate was achieved.

The main purpose of this study was to present some comprehensive comparisons of compensation practices over the last five years.

check methodology stmt

needs a new one



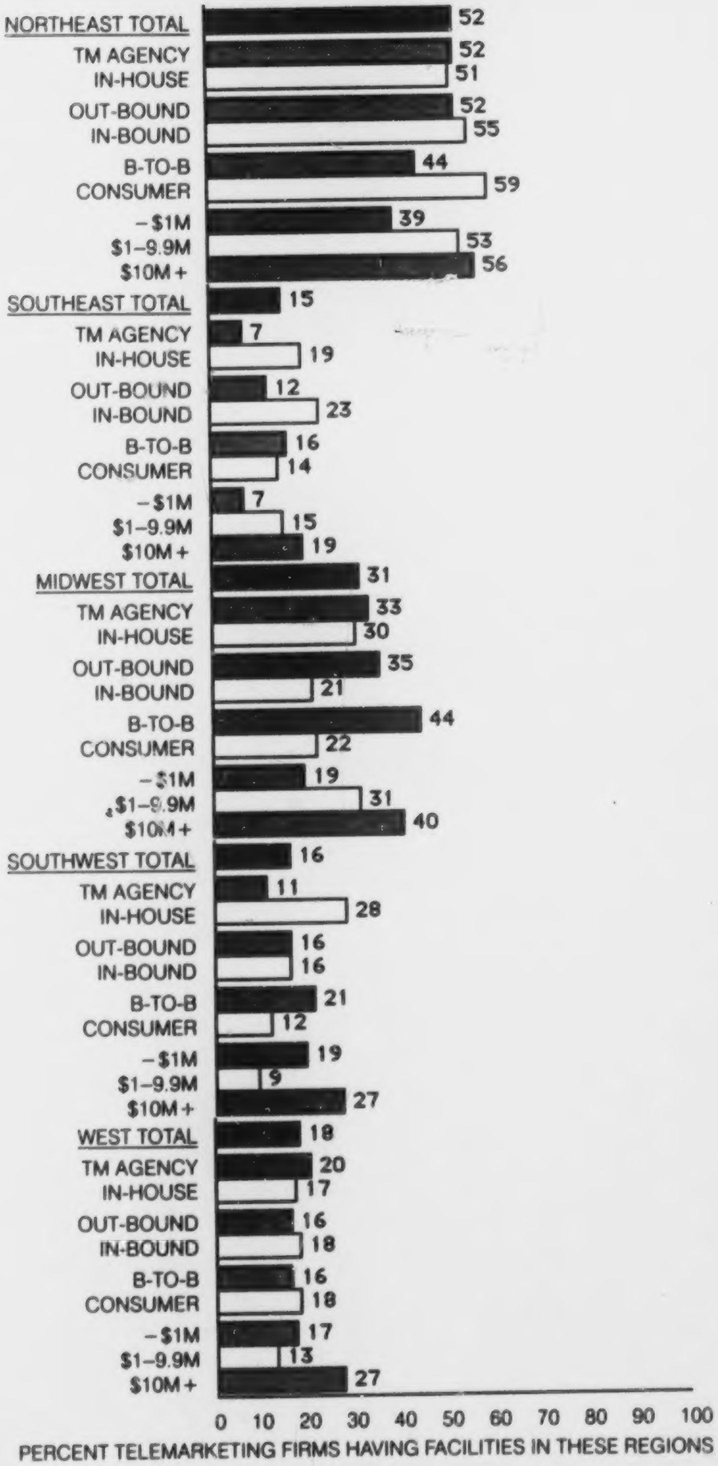
N = # OF RESPONDENTS

Note: In 1986 Manufacturing and Wholesale Distribution were combined.

Source: Telemarketing, August 1987

LOCATION OF TELEMARKETING FACILITIES BY TYPE AND BILLINGS

Delete.



Source: DMA Research Department, 1986.

INBOUND TELEMARKETING APPLICATIONS

SERVICE BUREAU
n = 64

The Telemarketing Intelligence Report, The Current Use and Anticipated Growth of Telemarketing in American Business, June 1987, consists of three segments conducted by telephone interviews. The segments are:

1) In House Operations Study; Sample size: 707 companies
2) Consumer Bureau Study; Sample Size: 64 companies
3) Consumer Attitudes Study; Sample Size: 600 companies

Service use of Inbo

INBOUND APPLICATION	INVOLVED	RANKED FIRST	TOP 2 RANK
ORDER TAKING	81%	53%	75%
FULL ACCOUNT MANAGEMENT SERVICE	56	8	8
DEALER LOCATOR	69	6	17
CUSTOMER SERVICE	67	3	19
INCREASING/UPGRADING DOLLAR ORDER SIZE	81	3	17
HANDLING COMPLAINTS	58	–	3
FUND RAISING PLEDGES	47	–	–
OTHER (ANSWERING QUESTIONS, SOLVING PROBLEMS, ETC.)	42	22	36
NOT STATED	3	6	6

one page

IN-HOUSE OPERATION
n = 707

INBOUND APPLICATION	INVOLVED	RANKED FIRST	TOP 2 RANK
ORDER TAKING	87%	51%	66%
CUSTOMER SERVICE	88	18	41
ANSWERING QUESTIONS	97	11	32
SOLVING PROBLEMS	88	5	16
FULL ACCOUNT MANAGEMENT SERVICE	49	4	8
HANDLING COMPLAINTS	90	3	11
UPGRADING ORDER	68	3	15
DEALER LOCATOR	40	1	3
OTHER	6	1	3

Source: Schlenker Research Services, 1987

OUTBOUND TELEMARKETING APPLICATIONS

SERVICE BUREAU
N = 64

OUTBOUND APPLICATION	INVOLVED	RANKED FIRST	TOP 2 RANK
DIRECT SELLING	86%	56%	66%
FUND RAISING	67	17	19
SCREENING/QUALIFYING SALES LEADS	86	16	58
SETTING APPOINTMENTS	77	2	16
FULL ACCOUNT MANAGEMENT SERVICE	50	2	8
MARKET RESEARCH	80	2	16
CREDIT CHECKS	20	–	–
COLLECTIONS	19	–	–
OTHER	8	2	3
NOT STATED	3	5	5

Source: Schlenker Research Services, 1987

OUTBOUND TELEMARKETING APPLICATIONS
IN-HOUSE OPERATION - 707

OUTBOUND APPLICATIONS	INVOLVED	RANKED FIRST	TOP 2 RANK
DIRECT SELLING	86%	58%	67%
SCREENING/QUALIFYING SALES LEADS	72	16	40
SETTING APPOINTMENTS	40	6	12
FULL ACCOUNT MANAGEMENT SERVICE	45	6	11
OPENING NEW ACCOUNTS	72	4	19
HANDLING SMALLER ACCOUNTS	67	2	12
MARKET RESEARCH	48	2	10
HANDLING GEOGRAPHIC REMOTE ACCOUNTS	62	2	8
CREDIT CHECKS	23	1	1
COLLECTIONS	24	–	3
OTHER	7	2	5

Source: Schlenker Research Services, 1987

SERVICE BUREAU CLIENT INDUSTRIES

delete

Of the 64 service bureaus surveyed, fourteen (or 22 percent) specialize in serving clients in a single industry or product/service area. The industries vary but include a few specializing in fund raising, and some involved solely in pharmaceuticals, hi-tech products, financial services, or publishing.

Three in four have clients who come from many industry or product areas. Asked to name their top three client industries in terms of business volume, the executives specified a variety of industries.

The following recapitulation presents percent of respondents selecting an industry as being among their top three, single industry service bureaus and the combined responses of all the service bureaus:

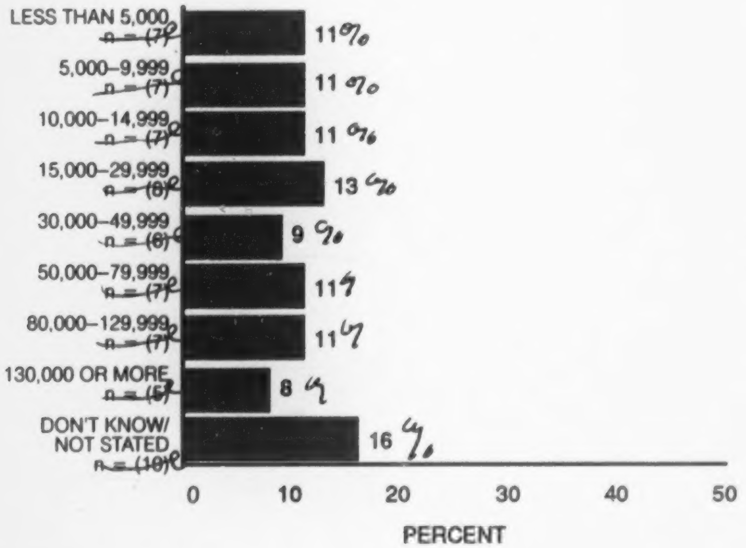
INDUSTRY OR PRODUCT/SERVICE	TOP THREE	SINGLE INDUSTRY	TOTAL
FINANCIAL/CREDIT CARDS	48%	14%	40%
PUBLISHING	30	14	27
HI-TECH/TELECOMMUNICATIONS	26	14	23
CONSUMER CLUBS/PRODUCTS/ SERVICES	26	7	22
INSURANCE	26	–	20
FUND RAISING	20	21	20
CATALOGS/TV DIRECT RESPONSE	24	–	18
HEALTH CARE/PHARMACEUTICALS	9	14	10
CORPORATE/BUSINESS PRODUCTS	13	–	10
POLITICAL/CULTURAL	9	7	8
OTHER	17	–	13
NOT STATED	4	7	5

Source: Schlenker Research Services, 1987

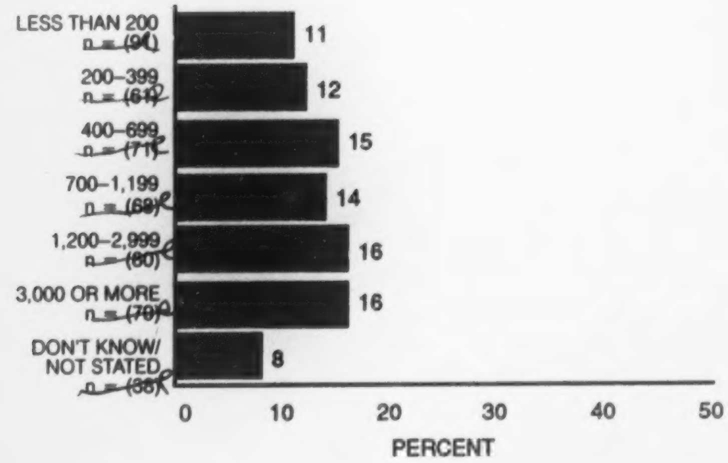
AVERAGE NUMBER OF outbound CALLS MADE AND COMPLETED IN A WEEK

statement to explain #s

SERVICE BUREAU
n = 64



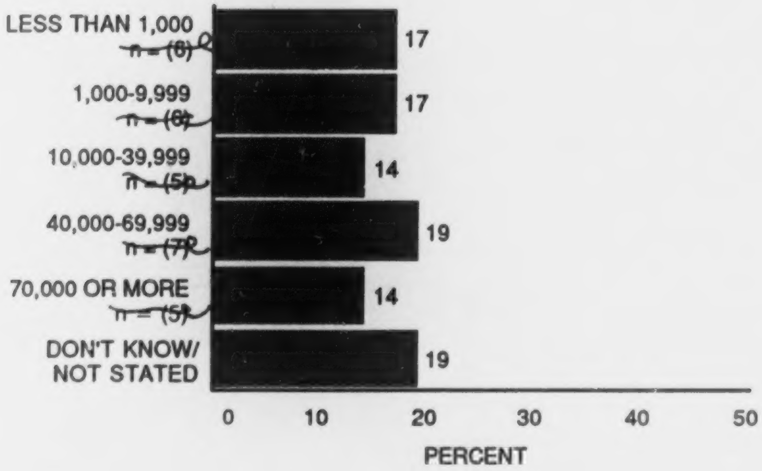
IN-HOUSE OPERATION
n = 489



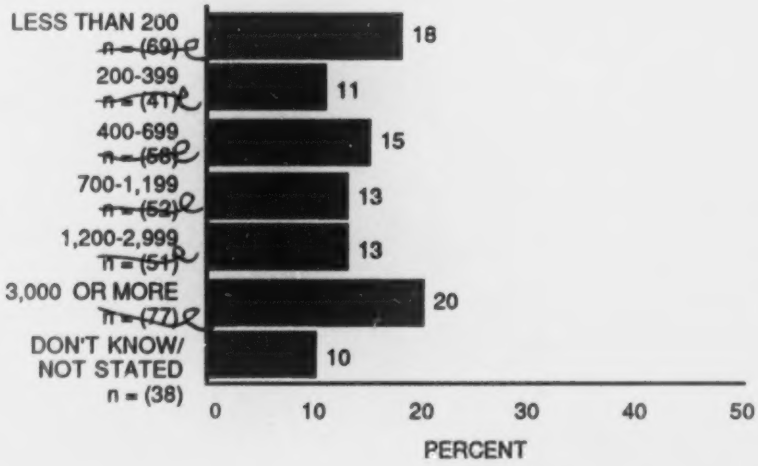
Source: Schlenker Research Services, 1987.

AVERAGE NUMBER OF INBOUND CALLS RECEIVED IN A WEEK

SERVICE BUREAU
n = 36



IN-HOUSE OPERATION
n = 386



Source: Schlenker Research Services, 1987

COMPUTER EQUIPMENT: PURCHASE INTENT WITHIN THE NEXT 12 MONTHS (87–88)

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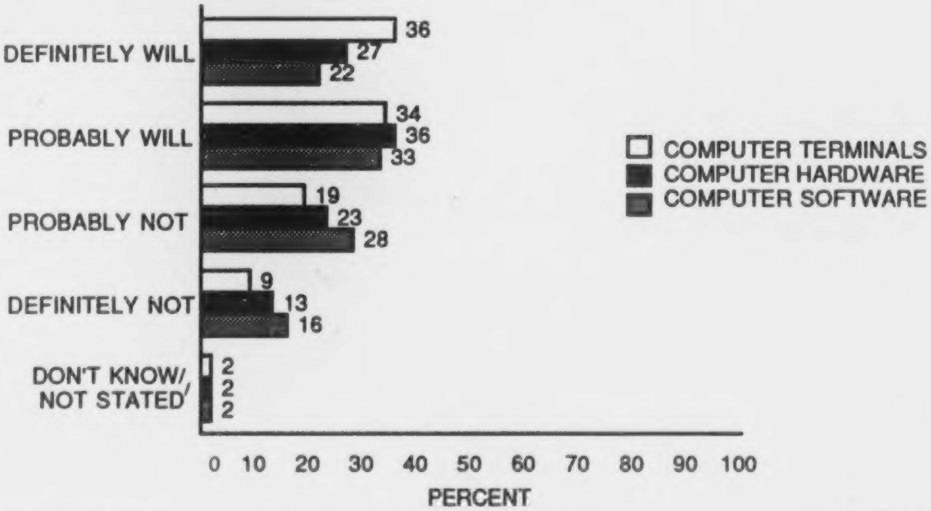
SERVICE BUREAUS
n = 64



IN-HOUSE OPERATIONS

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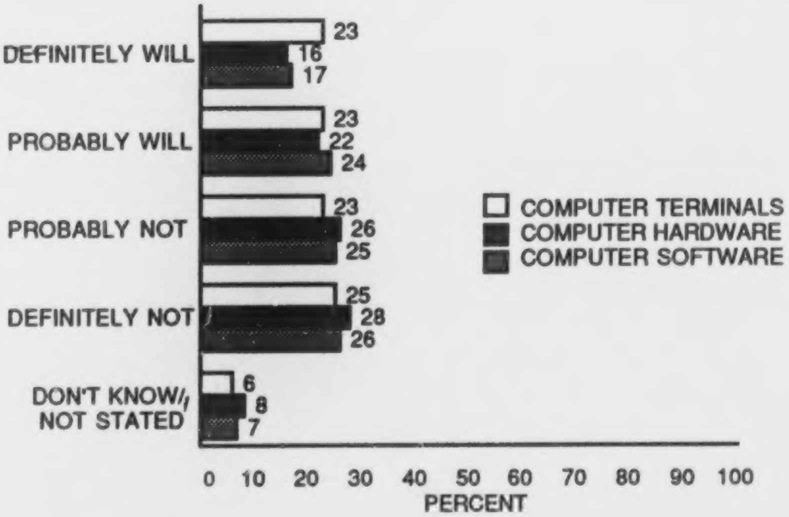
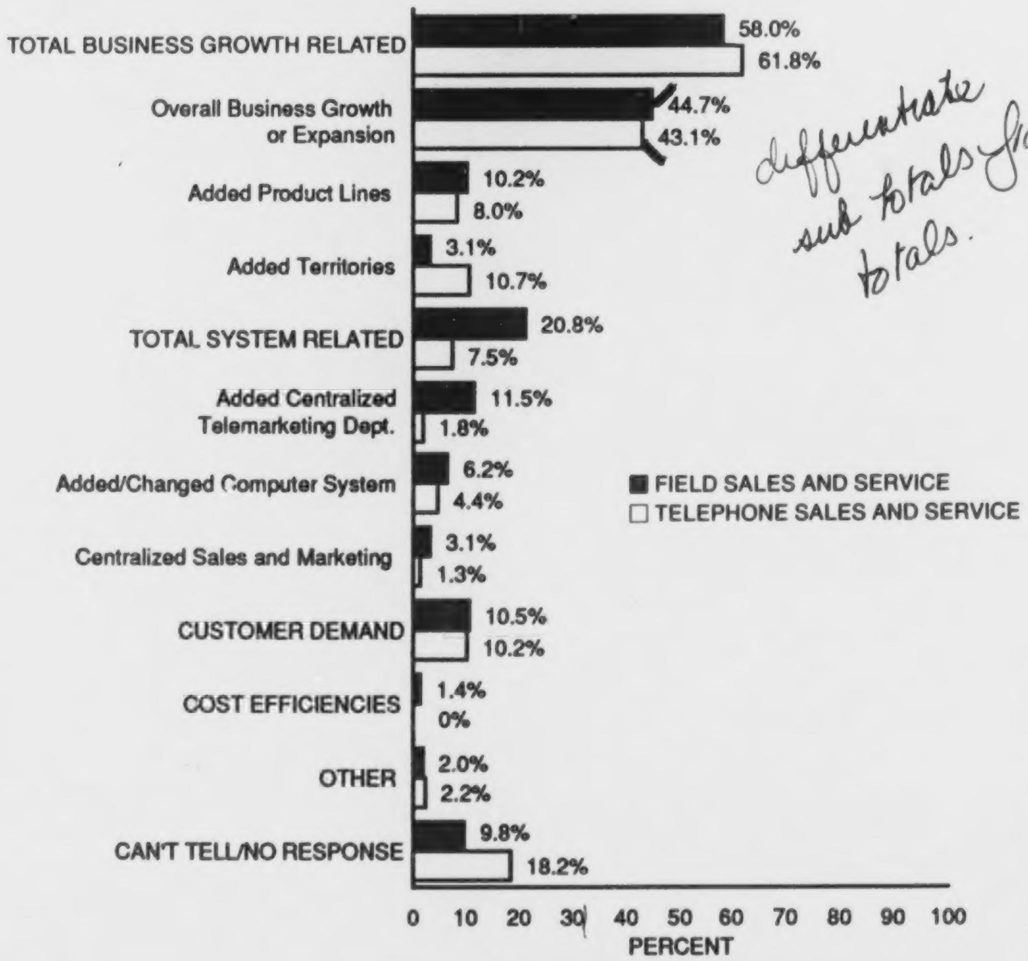


Source: Schlenker Research Services, 1987

REASONS FOR GROWTH IN SALES AND CUSTOMER SERVICE STAFF

The Telephone Marketing Resources Inc., Telemarketing Survey, on how companies combine telemarketing with field sales was conducted by telephone interview in May 1987 among 211 sales and 212 marketing executives from companies ranging from under $1 million in annual sales volume to over $2 billion. A 52.9% response rate was achieved. The survey findings show that telemarketing is growing at a dramatic pace. The executives predicted that the increase in telephone staffs will be more than twice that of field sales forces in the next five years.



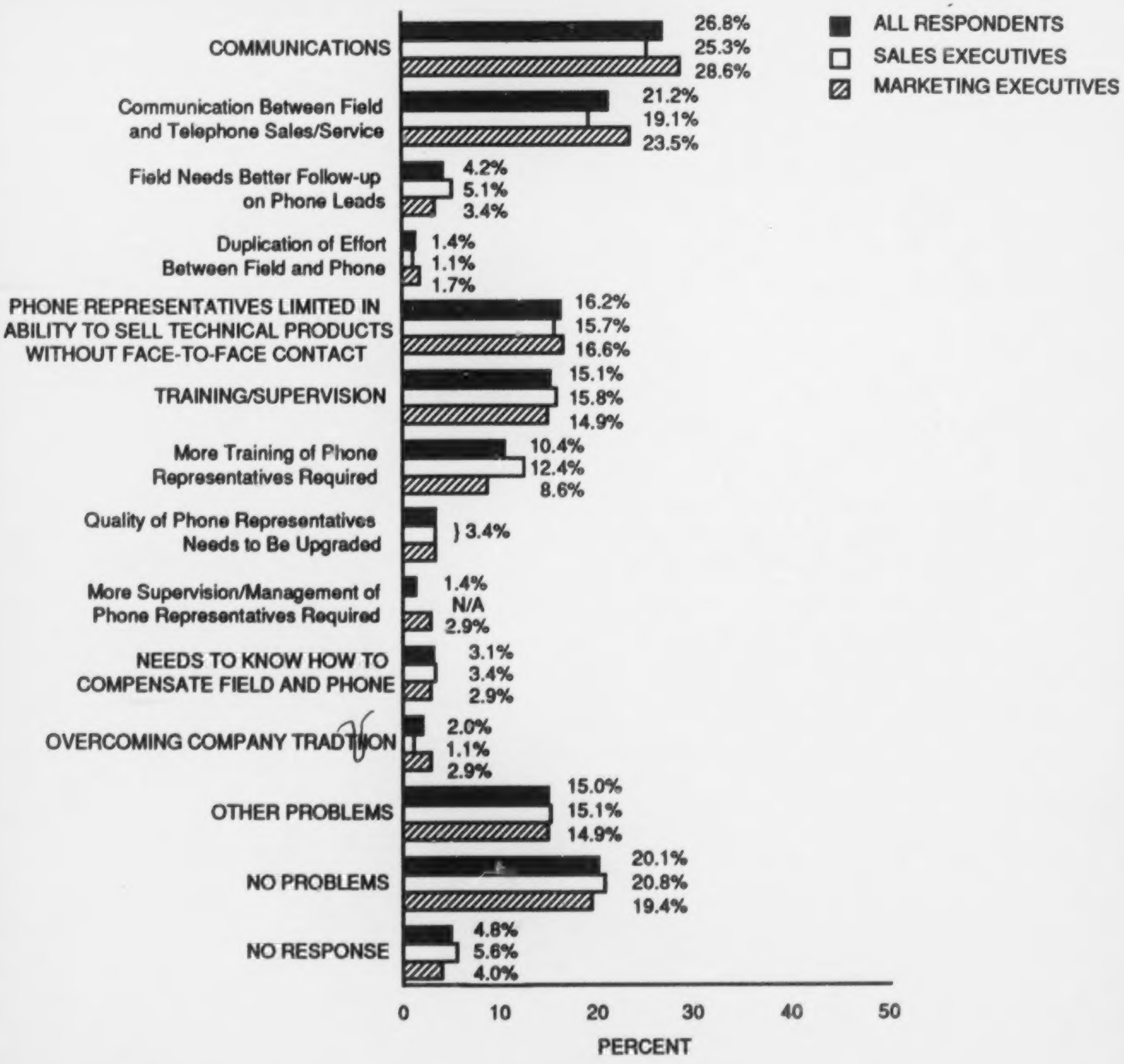
differentiate sub totals from totals.

Note: Adds to more than 100% due to multiple responses.

Source: Oetting and Company, Inc. and Business Marketing Magazine.

needs date

PROBLEMS TO BE RESOLVED IN INTEGRATING TELEPHONE SALES AND SERVICE WITH FIELD SALES



Note: Numbers add to more than 100% due to multiple ~~mentions~~ response.

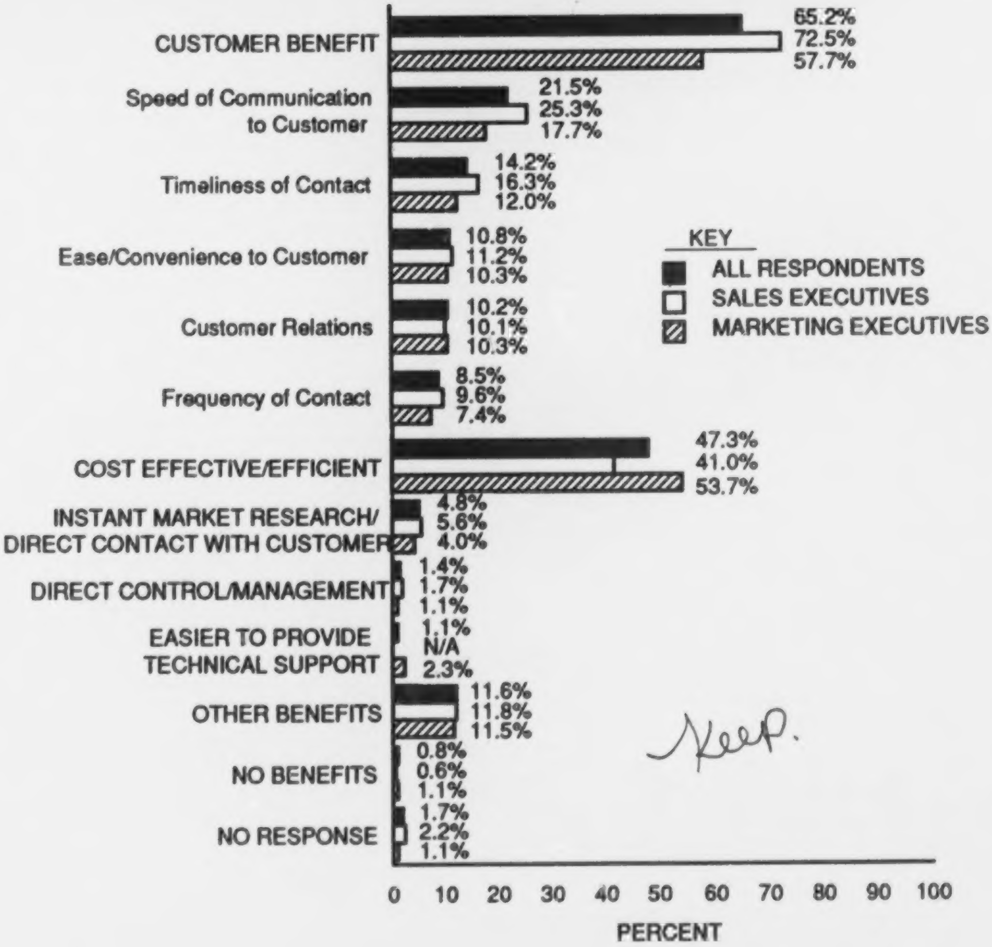
Source: Oetting and Company, Inc. and Business Marketing Magazine.

needs date.

offering

Customer

MAJOR BENEFITS OF ~~HAVING~~ TELEPHONE SALES AND SERVICE



Keep.

Note: Adds to more than 100% due to multiple responses.

Source: Telephone Marketing Resources Inc., May 1987. Oetting and Company, Inc. and Business Marketing Magazine.

The AT&T Telephone Shopper Study was conducted in April 1987 in three phases: telephone survey, follow-up mail survey and qualitative research which covered attitudes toward nonstore shopping, nonstore shopping behavior, nonshopping use of 800 service, relative comfort with ordering a variety of products using 800 service and 800 numbers for information and customer service.

The primary objective was to segment the market for 800 service based on consumer attitudes and usage.

The secondary objectives were: to describe consumer behavior in terms of use/nonuse, explore usage by stages of the buying cycle, associate behavior patterns with product or service categories, and to identify/describe psychographic or attitudinal factors that relate to different levels or types of use.

Consumers, all those who participated in the study, were described as either users or nonusers.

Users, those who ordered through an 800 number at least twice within the past year, tend to place a high priority on the value of their time, therefore convenience is a major concern. The catalog is their primary purchase stimulus, since they receive many and often save the most appealing for several months. They prefer 800 ordering to mail because of the greater speed of delivery. Virtually all have credit cards.

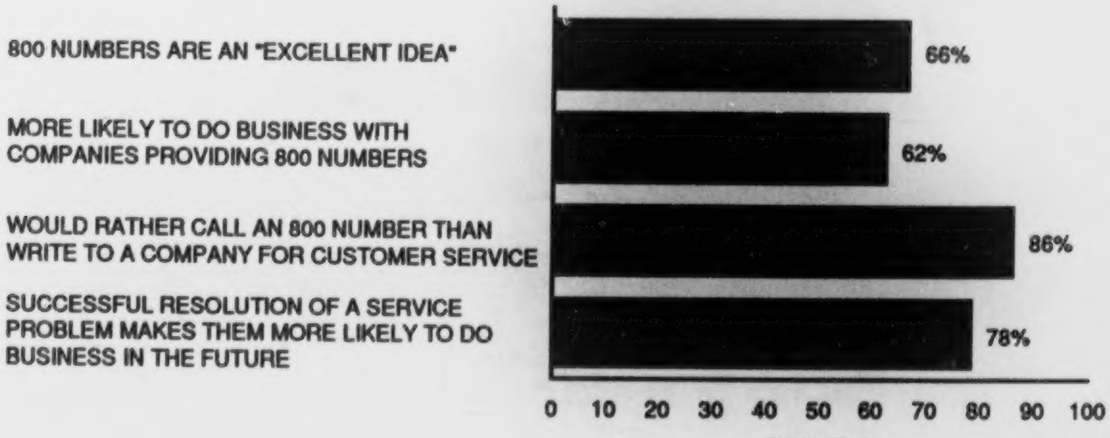
Nonusers are those who have not done any 800 ordering within the past year (about 1/2 have ordered previously). They are highly price sensitive, heavily sale and promotion oriented and they do a lot of comparison shopping. They're less interested in speed and convenience of their purchases therefore they tend to do less nonstore shopping. They have credit cards but they are cautious about using them especially in nonstore shopping where they cannot see what they're ordering 1st.

The study's main finding was users and nonusers have very different attitudes toward shopping yet they're both very receptive to 800 numbers for information and customer service. Therefore companies that make a real committment to building customer trust can convert nonusers to users.

Results of this study can be projected to all U.S. Households.

DEGREE OF CONSUMER INTEREST IN USING 800 NUMBERS AT OTHER PHASES OF THE BUSINESS CYCLE

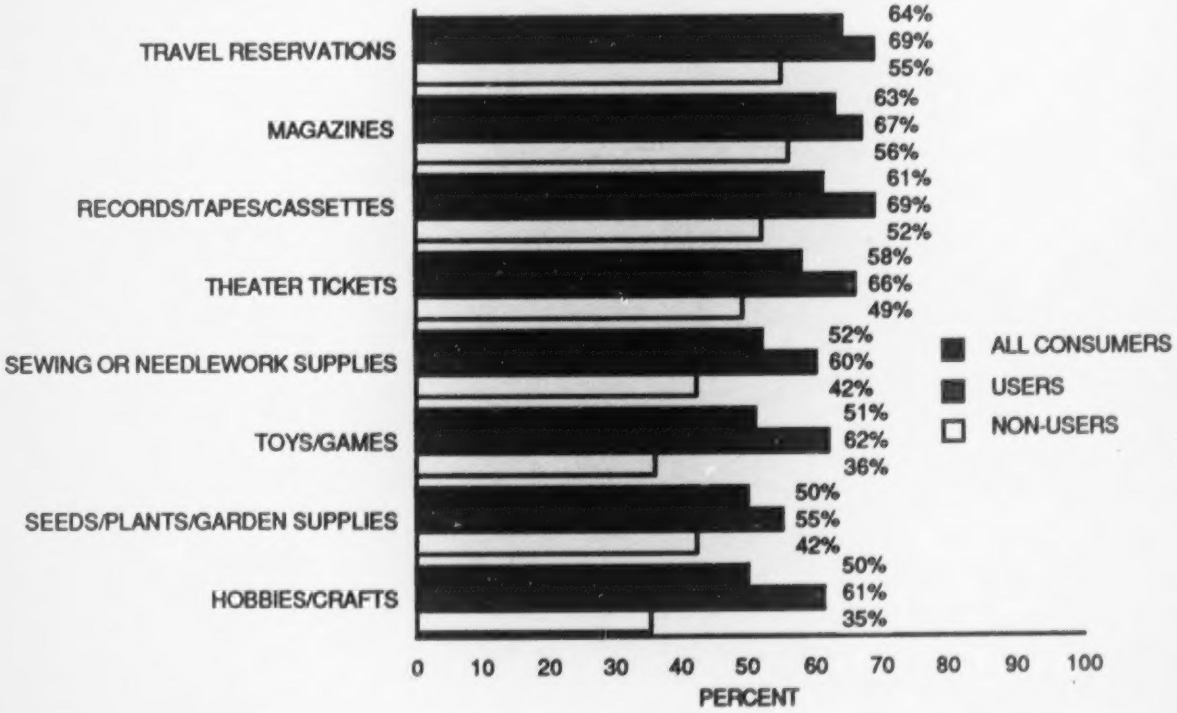
Consumers are extremely interested in 800 numbers for information and customer service.



Source: AT&T Telephone Shopper Study, 1987.

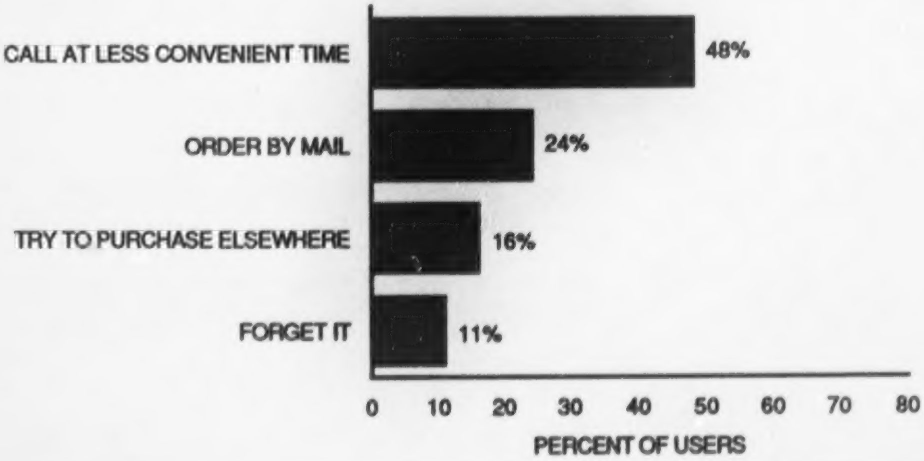
COMFORT WITH PURCHASING PRODUCTS BY 800 NUMBER

50% or more are comfortable ordering:



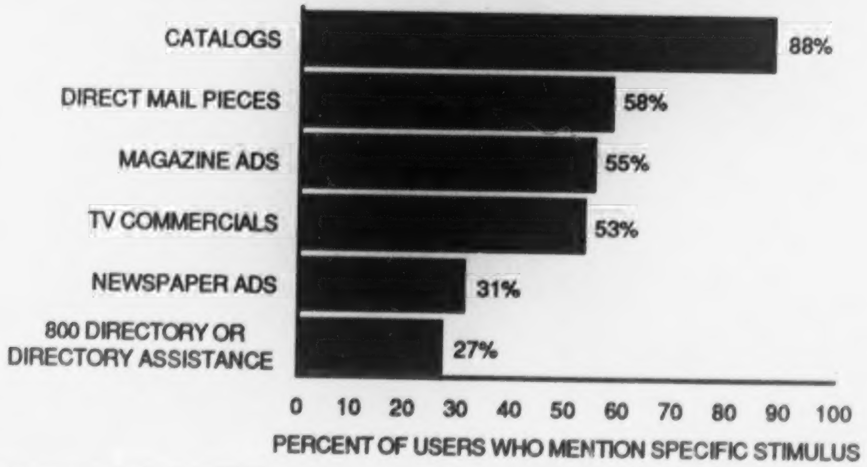
Source: AT&T Telephone Shopper Study, 1987.

ACTION TAKEN IF UNABLE TO REACH 800 NUMBER



Source: AT&T Telephone Shopper Study, 1987.

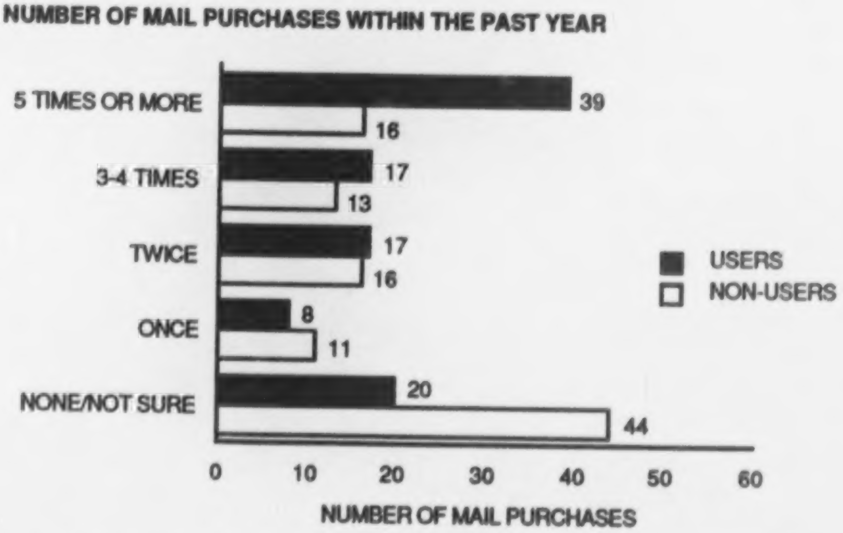
PURCHASE STIMULI FOR 800 ORDERS PLACED BY USERS



Note: Multiple Responses

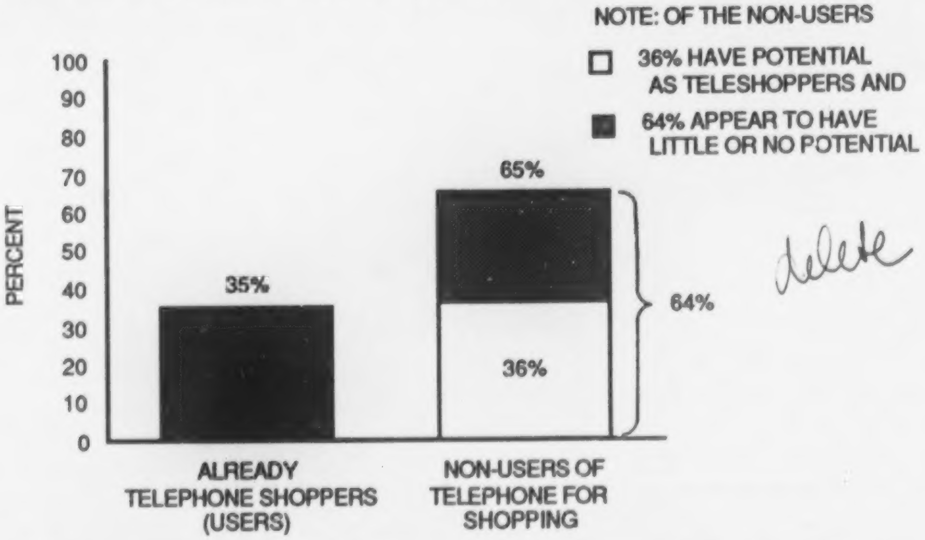
Source: AT&T Telephone Shopper Study, 1987

NUMBER OF MAIL PURCHASES WITHIN THE PAST YEAR



Source: AT&T Telephone Shopper Study, 1987

MARKET PERCENTAGE RECEPTIVE TO TELEPHONE SHOPPING



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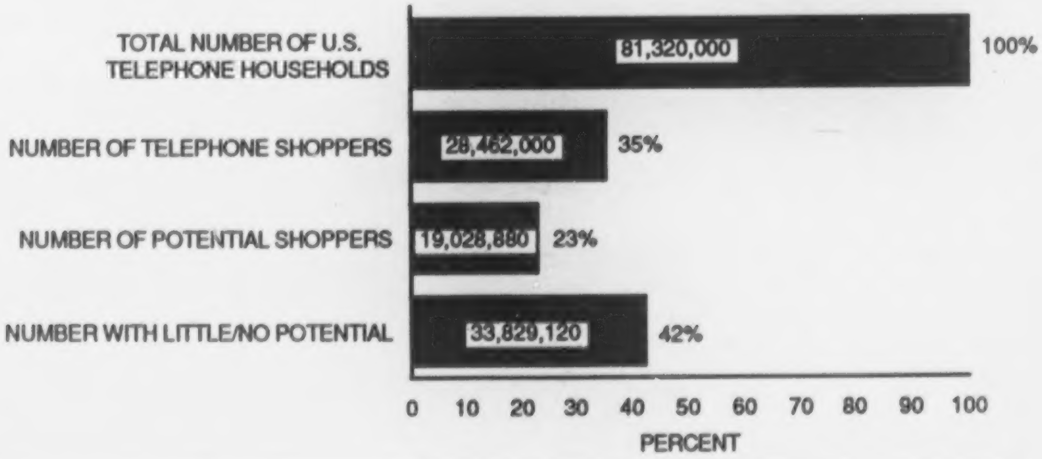
Source: AT&T Telephone Shopper Study, 1987.

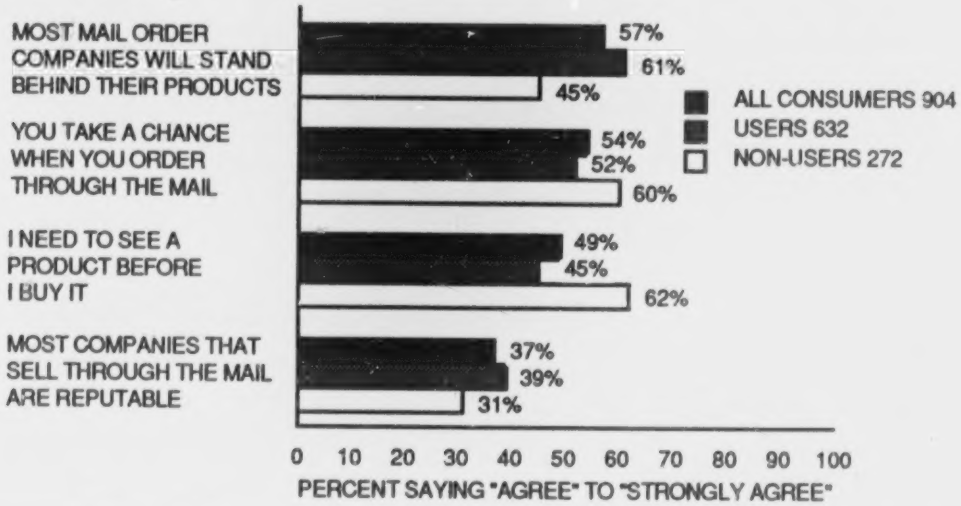
SIZE OF THE POTENTIAL MARKET FOR TELEPHONE SHOPPING

(58% of the total telephone households already are telephone shoppers or are potential telephone shoppers.)



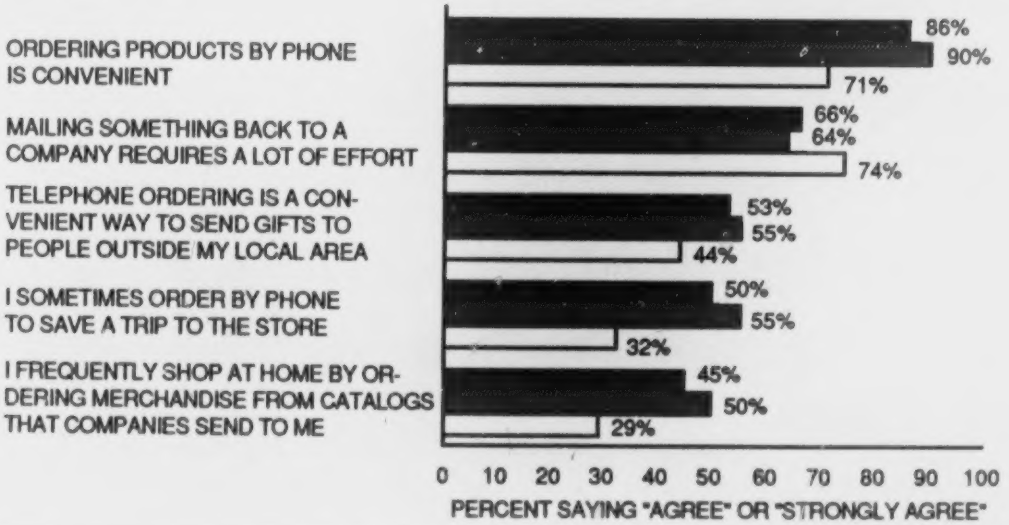
Source: AT&T Telephone Shopper Study, 1987

ATTITUDES TOWARD NON-STORE SHOPPING
QUALITY/REPUTABILITY



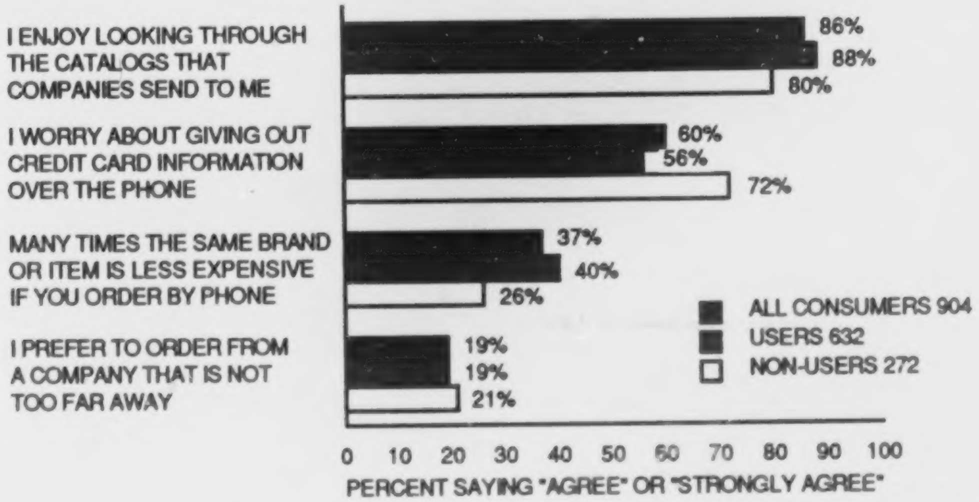
Source: AT&T Non-Store Shopping Behavior Study

ATTITUDES CONT'D
CONVENIENCE/USAGE



Source: AT&T Non-Store Shopping Behavior Study

ATTITUDES CONT'D
OTHER ISSUES



Source: AT&T Non-Store Shopping Behavior Study

NONSTORE SHOPPING METHOD PREFERRED BY USERS

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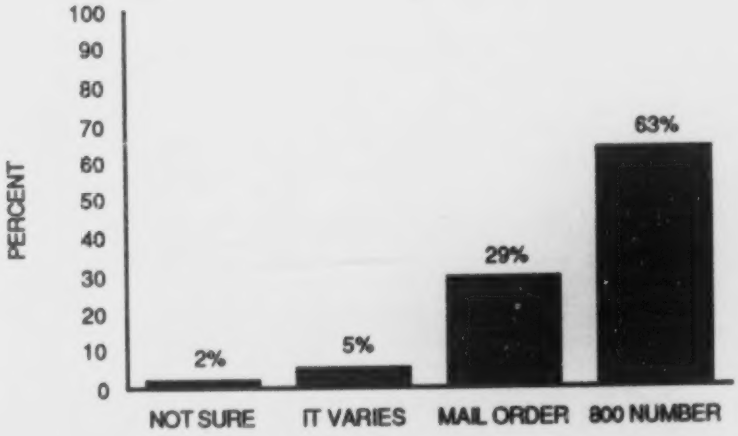
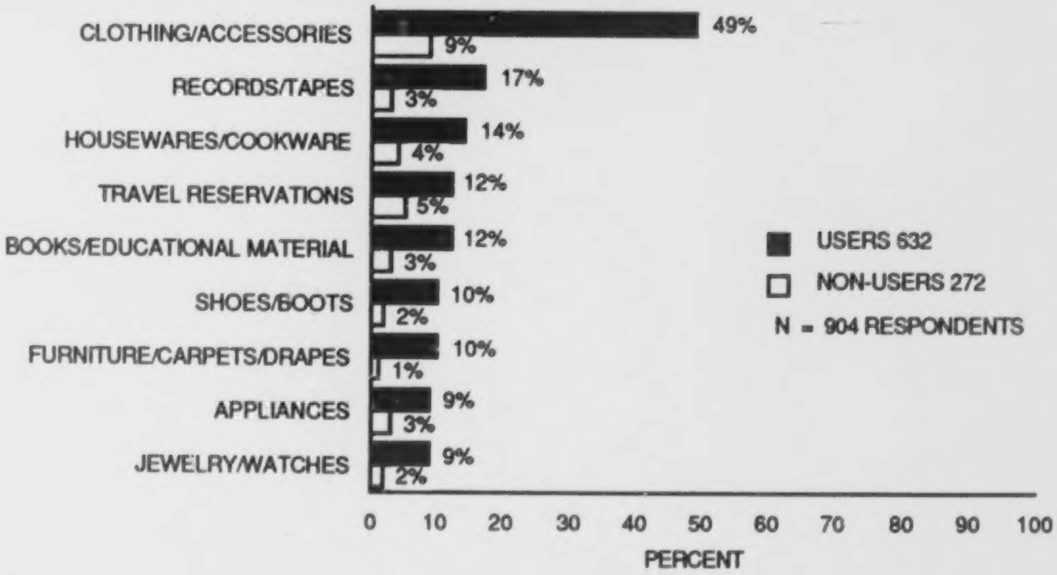


Source: AT&T Telephone Shopper Study, 1987

PRODUCTS PURCHASED BY 800 NUMBER WITHIN THE PAST YEAR

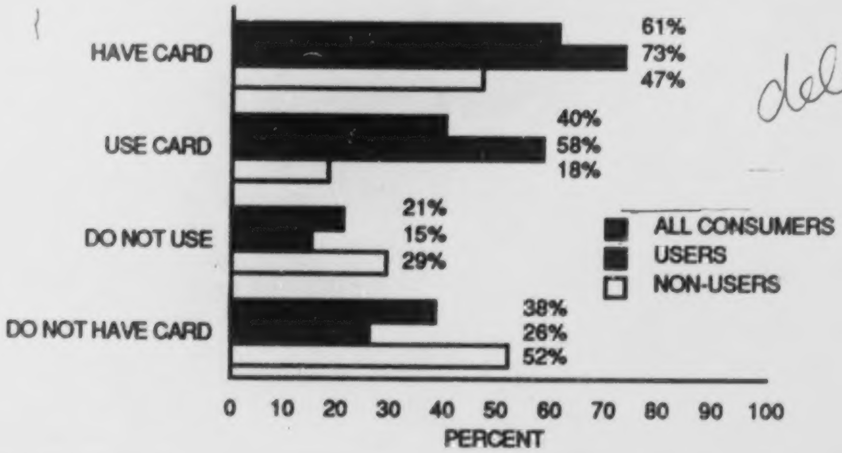


*All numbers are percentages

Source: AT&T Non-Store Shopping Behavior Study

USE OF CREDIT CARDS FOR NON-STORE SHOPPING

(The likelihood of both having and using cards is greatest for upscale consumers with relatively heavy 800 and mail shopping activity.)



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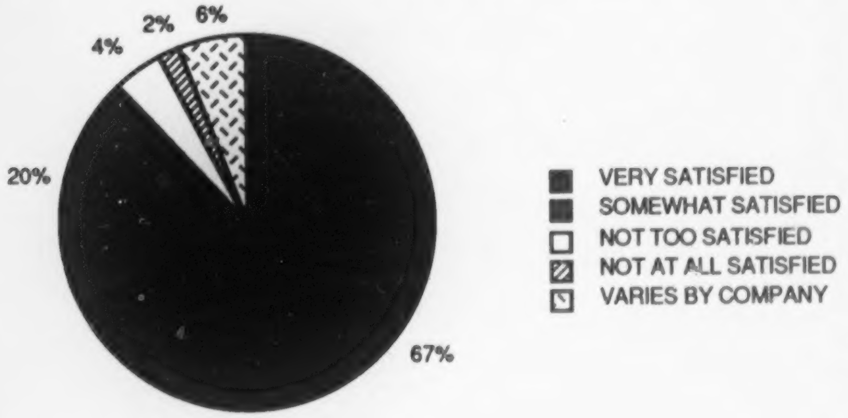
Source: AT&T Telephone Shopper Study, 1987

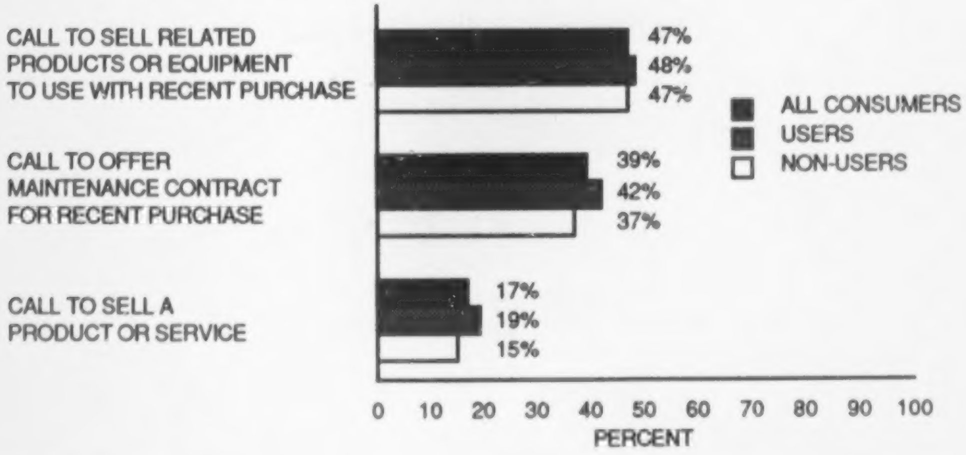
USER SATISFACTION WITH TELEPHONE SHOPPING



Source: AT&T Telephone Shopper Study, 1987

CONSUMER ACCEPTANCE OF OUTBOUND WATTS SALES CALLS

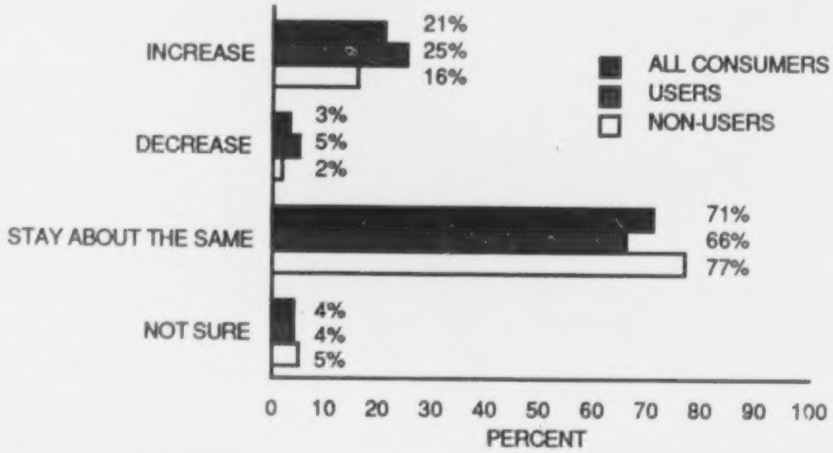
TYPES OF SALES CALLS CONSIDERED ACCEPTABLE ARE:



Source: AT&T Telephone Shopper Study, 1987

EXPECTED CHANGES IN DEGREE OF TELEPHONE SHOPPING

In the next year, shopping will:



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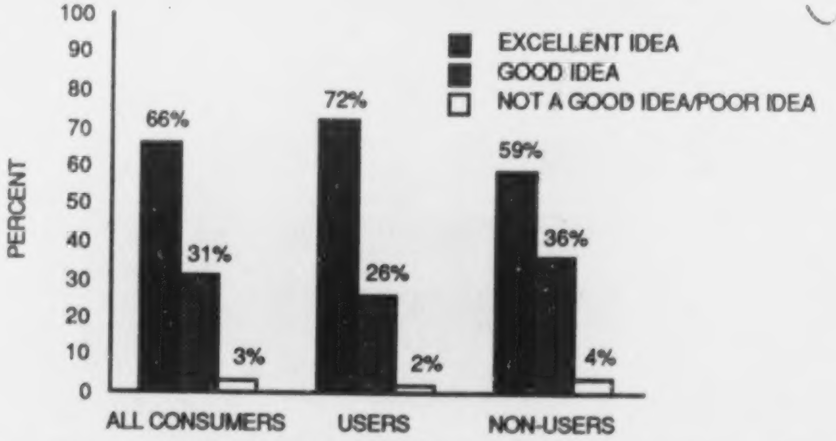
Source AT&T Telephone Shopper Study 1987

CONSUMERS' RESPONSE TO "800" INFORMATION NUMBERS



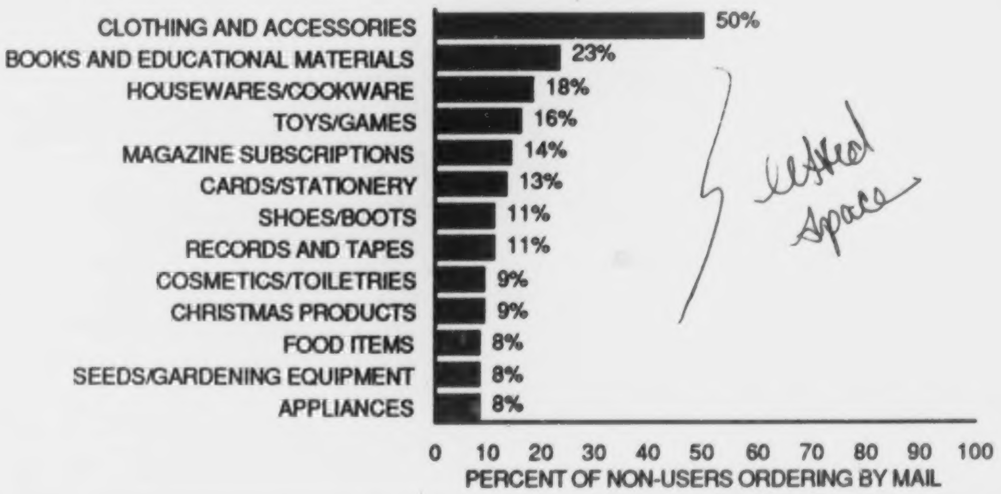
keep

Source: AT&T Telephone Shopper Study, 1987

PRODUCTS PURCHASED BY NONUSERS BY MAIL

What products have you already ordered by mail?

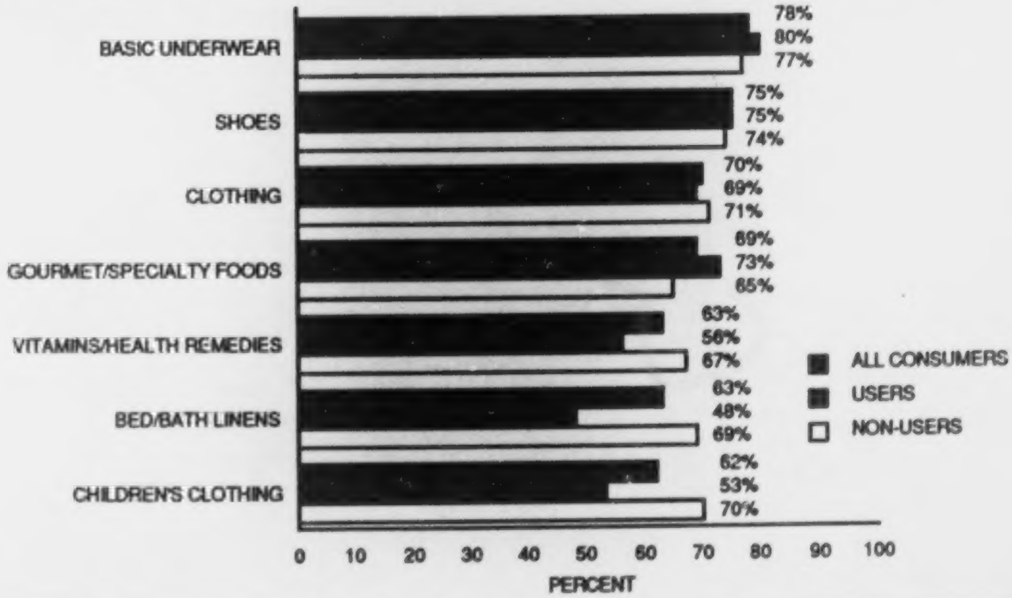
N = 230 respondents



Source: AT&T 800 Number Consumer Survey

PRODUCTS FOR WHICH AN INFORMATION NUMBER MAKES THE MOST DIFFERENCE

(AT LEAST 60% ARE MORE COMFORTABLE IN THESE CATEGORIES)



Source: AT&T Telephone Shopper Study, 1987.

SERVICE BUREAUS' VIEWS RE: CIRCUMSTANCES WHERE USE OF PRE-RECORDINGS WOULD BE ADVISABLE

		TYPE OF OPERATION		YEARS IN BUSINESS		SIZE NUMBER OF WORKSTATIONS	
VIEWS ON USE OF PRE-RECORDINGS	TOTAL	OUT ONLY	OUT/IN	LESS THAN 6 YRS	6+ YRS	LESS THAN 100	100+
TOTAL	64 100%	28 100%	36 100%	32 100%	32 100%	32 100%	32 100%
FOR SPECIFIC INFORMATIONAL PURPOSES	3 5%	1 4%	2 6%	1 3%	2 6%	3 9%	–
TO INFORM PEOPLE OF SPECIAL INFORMATION SUCH AS PRODUCT DEFECT/ PRODUCT RECALL	8 13%	4 14%	4 11%	4 13%	4 13%	3 9%	5 16%
COLLECTIONS	2 3%	1 4%	1 3%	–	2 6%	–	2 6%
TO EXISTING CLIENTS/ CUSTOMERS ONLY	3 5%	1 4%	2 6%	1 3%	2 6%	–	3 9%
ON INCOMING CALLS ONLY	2 3%	1 4%	1 3%	1 3%	1 3%	2 6%	–
IF INTRODUCED BY LIVE PERSON	3 5%	1 4%	2 6%	–	3 9%	1 3%	2 6%
DON'T KNOW OF ANY/NONE	26 41%	14 50%	12 33%	13 41%	13 41%	13 41%	13 41%
NEVER/NO CIRCUMSTANCE/ NONE WHATSOEVER	11 17%	3 11%	8 22%	8 25%	3 9%	4 13%	7 22%

SERVICE BUREAUS' VIEWS ON USING PRE-RECORDINGS FOR SELLING OR MARKETING

		TYPE OF OPERATION		YEARS IN BUSINESS		SIZE NUMBER OF WORKSTATIONS	
VIEWS ON USE OF PRE-RECORDINGS	TOTAL	OUT ONLY	OUT/IN	LESS THAN 6 YRS	6+ YRS	LESS THAN 100	100+
TOTAL %	64 100%	28 100%	36 100%	32 100%	32 100%	32 100%	32 100%
HATE IT/AWFUL/TERRIBLE/ OBNOXIOUS PRACTICE	10 16%	7 25%	3 8%	6 19%	4 13%	6 19%	4 13%
HURTS THE INDUSTRY/GIVES INDUSTRY BAD NAME	9 14%	6 21%	3 8%	6 19%	3 9%	5 16%	4 13%
OPPOSE IT/NEGATIVE TOWARD IT/NOT IN FAVOR OF IT	17 27%	6 21%	11 31%	10 31%	7 22%	9 28%	8 25%
SHOULD BE BANNED/ OUTLAWED	4 6%	2 7%	2 6%	1 3%	3 9%	2 6%	2 6%
OFFENDS PEOPLE/OFFENSIVE TO CONSUMER	11 17%	6 21%	5 14%	6 19%	5 16%	4 13%	7 22%
TOO IMPERSONAL/ ELIMINATES PERSONAL CONTACT WHICH IS OUR SPECIALTY	16 25%	6 21%	10 28%	5 16%	11 34%	6 19%	10 31%
INEFFECTIVE/DOESN'T WORK	5 8%	2 7%	3 8%	2 6%	3 9%	1 3%	4 13%
OK FOR CERTAIN APPLICATIONS	3 5%	–	3 8%	1 3%	2 6%	1 3%	2 6%
NO FEELING OR OPINION ABOUT IT	2 3%	1 4%	1 3%	1 3%	1 3%	2 6%	–

Source: Schlenker Research Services. date

• PRINT

COSTS

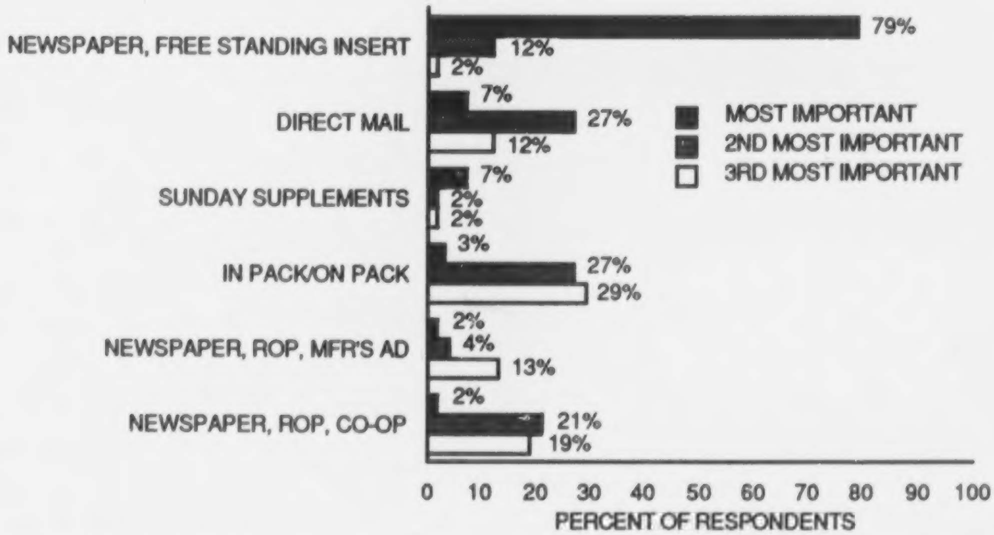
TRENDS

PROJECTIONS

DOLLAR IMPORTANCE OF LEADING TYPES OF COUPON MEDIA VEHICLE USED IN 1987

The Donnelley Marketing, Tenth Annual Survey of Promotional Practices was conducted by mail questionnaire during June 2–July 19, 1987 among 121 marketing executives who manage a large portion of all sales promotion for nondurable goods and services in the United States. A 60% response rate was achieved.

Newspaper, F.S.I. is the most important medium for four-fifths (79%) of the participants. Next in order are Direct Mail and Sunday Supplements, each with 7% of the participants naming it as most important.



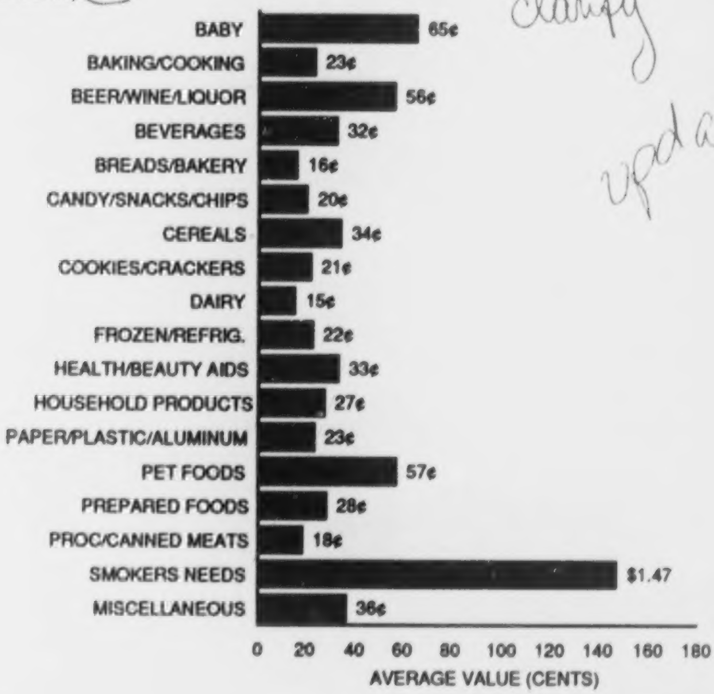
Source Donnelley Marketing 1987

AVERAGE VALUE (CENTS) OF COUPONS REDEEMED BY CATEGORY: JAN. '87–DEC. '87

~~(overall average 29 cents)~~

clarify

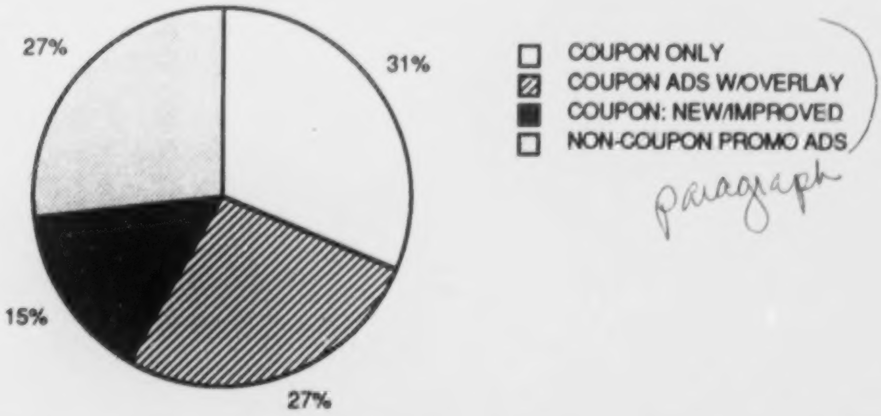
update



Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1988

BREAKOUT OF ALL PROMOTIONAL ADS: JAN. '87–DEC. '87

35,718 different ads noted

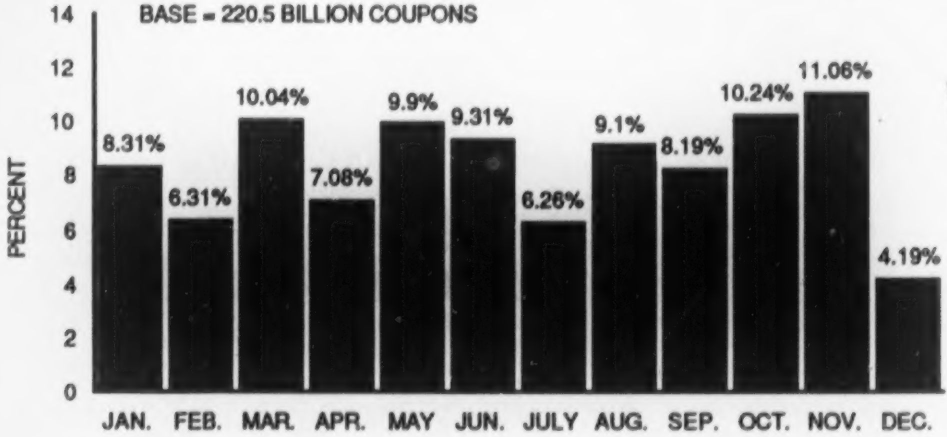


define

paragraph

Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1988

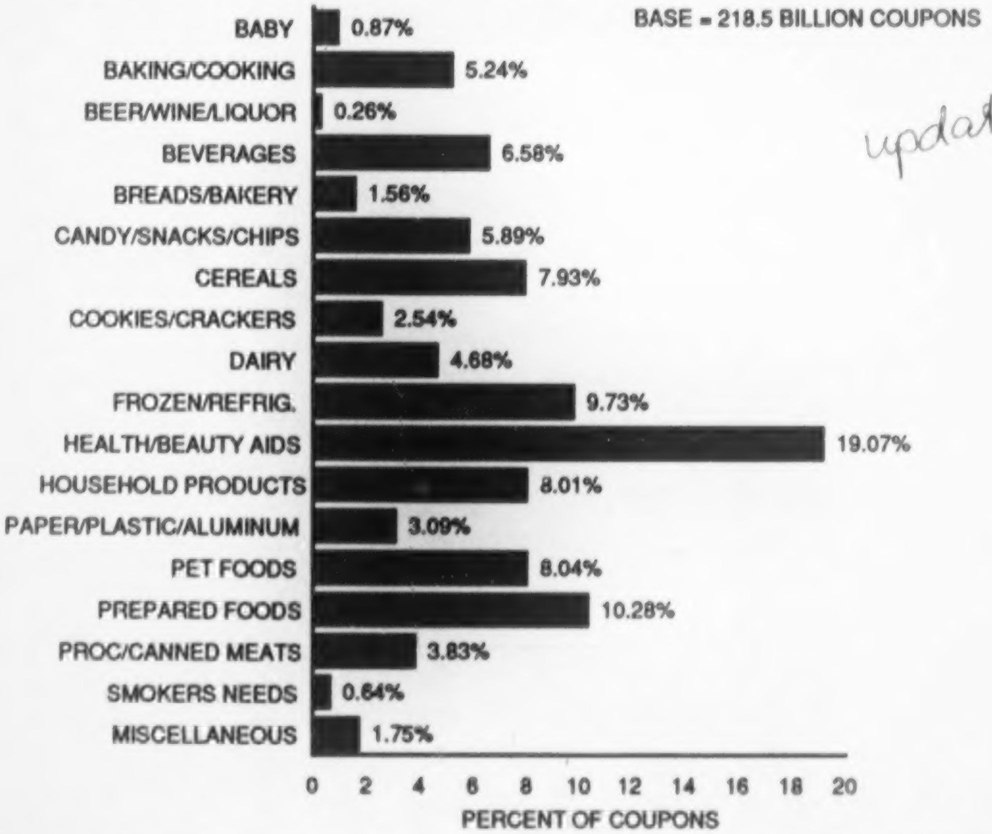
PERCENT OF COUPONS DROPPED BY MONTH: JAN. '87–DEC. '87



update

Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1988.

PERCENT OF COUPONS DROPPED BY CATEGORY: JAN. '87–DEC. '87



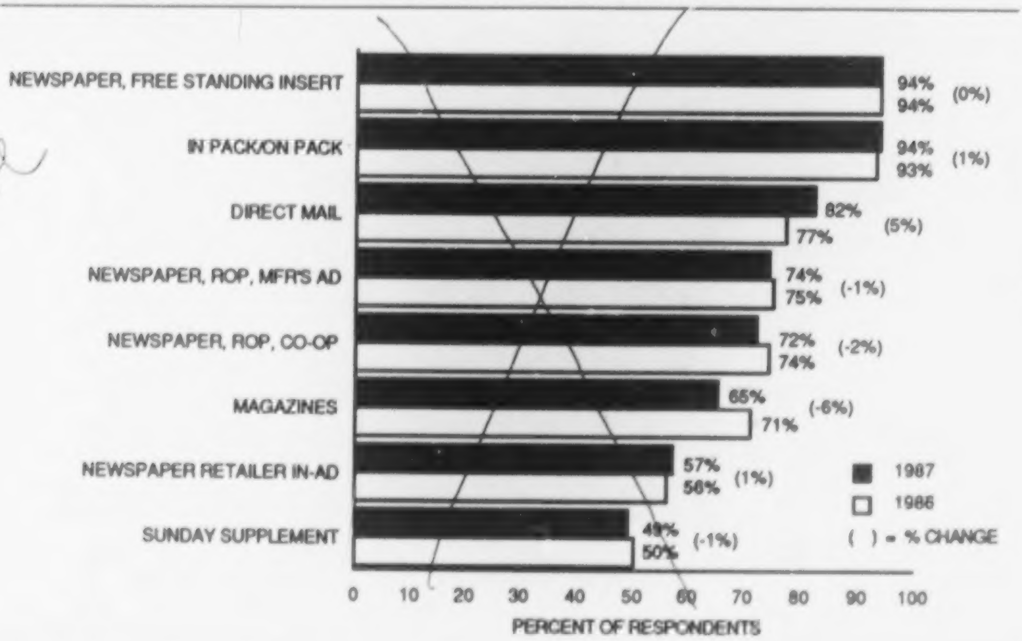
update

Source: Summary Scan! Division of the Advertising Checking Bureau, 1988.

TYPES OF COUPON MEDIA USED

The Donnelley Marketing, Tenth Annual Survey of Promotional Practices was conducted by mail questionnaire during June 2–July 19, 1987 among 121 marketing executives who manage a large portion of all sales promotion for nondurable goods and services in the United States. A 60% response rate was achieved.

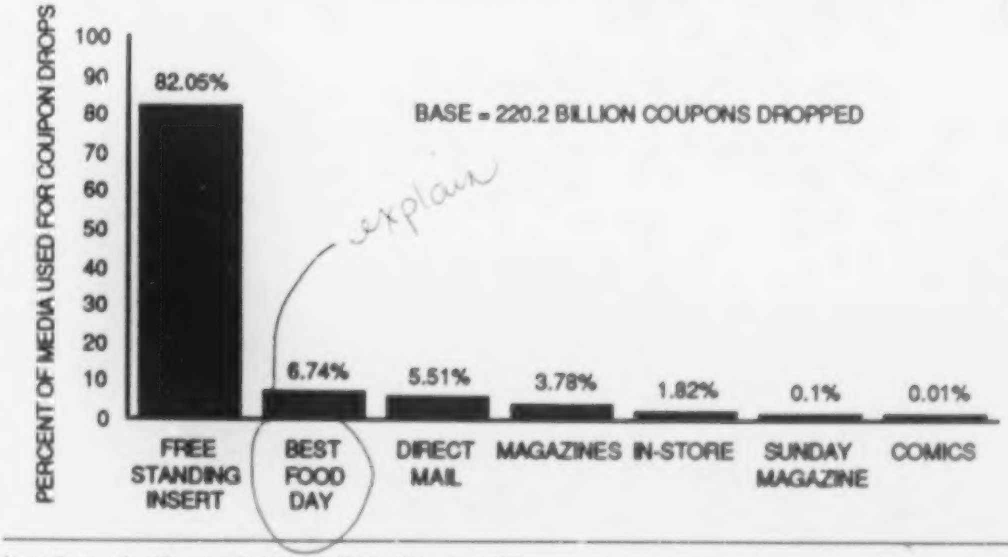
delete



Date

Source: Donnelly Marketing 1987

PERCENT OF MEDIA USED FOR COUPON DROPS: JAN. '87–DEC. '87

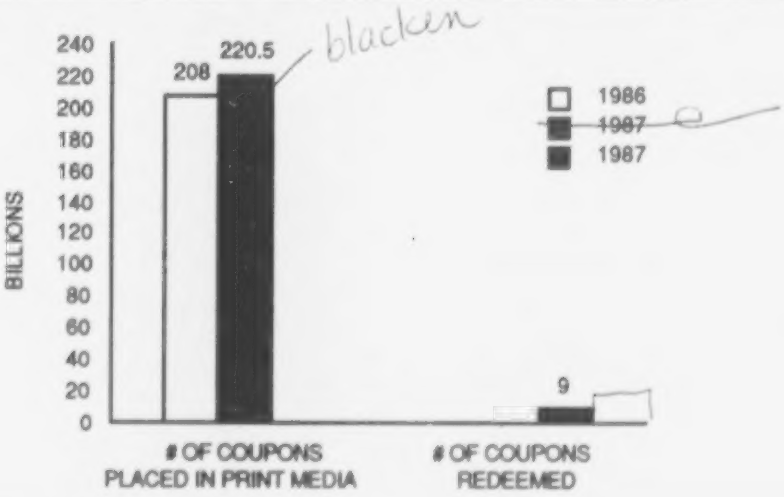


explain

Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1988

COUPONS
(PACKAGED GOOD MANUFACTURERS)

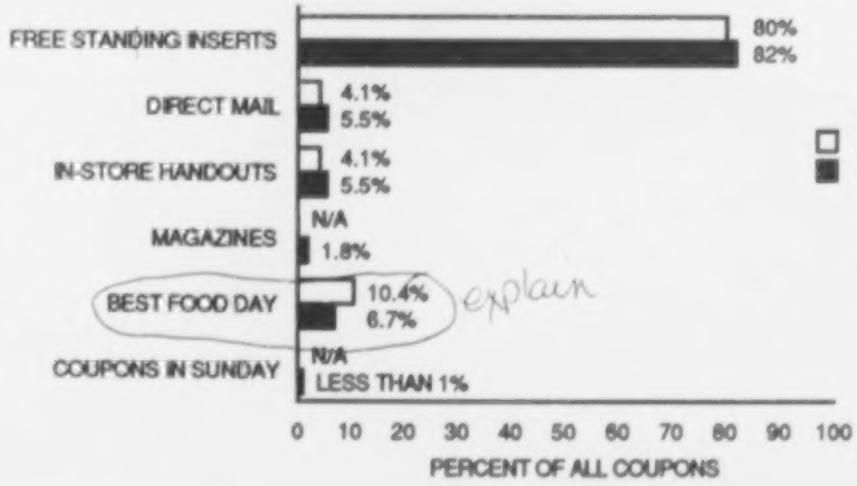
Packaged goods manufacturers placed about 220.5 billion coupons in print media in 1987, up 6% from the 208 billion dropped in 1986. Only 9 billion of the coupons—about 4%—were redeemed, with a total value of approximately 2.6 billion. Average value of all coupons redeemed was 29 cents.



blacken

Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1988

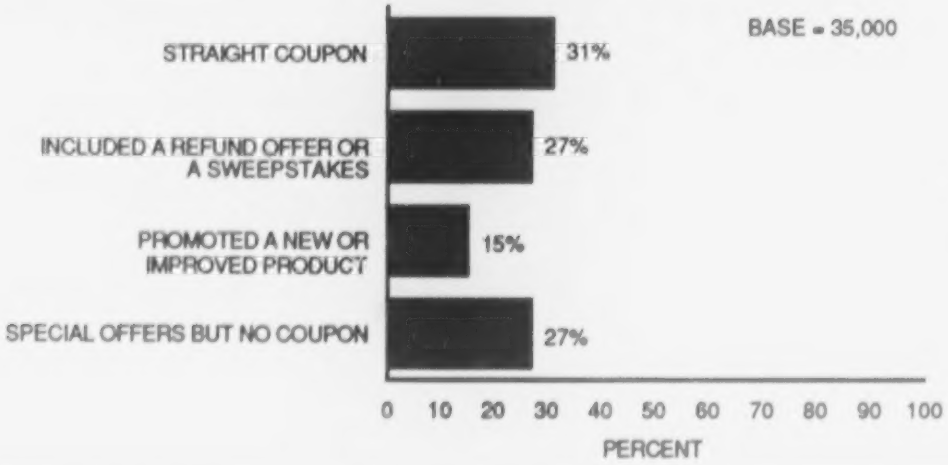
METHOD OF DISTRIBUTION FOR COUPONS



explain

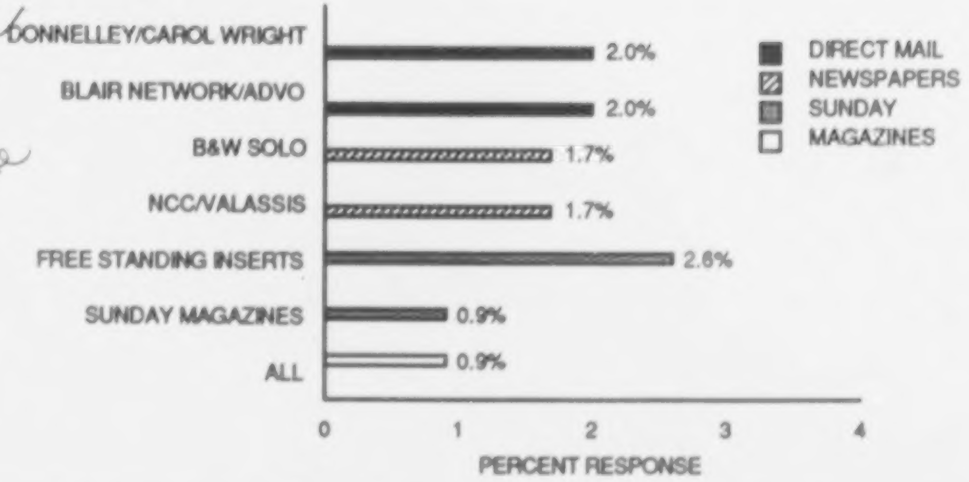
Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1988

PROMOTIONAL ADS



Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1988

HAIR CARE ASSUMPTIONS



~~delete~~
eliminate

Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1988

Keep update
check study

TYPES OF COUPON MEDIA USED

5-YEAR COMPARISON OF USAGE LEVELS	% OF RESPONDENTS IN EACH YEAR				
	1987	1986	1985	1984	1983
1. NEWSPAPER, F.S.I.	94%	93%	92%	88%	87%
2. IN PACK/ON PACK	94	90	84	86	87
3. DIRECT MAIL	82	78	86	82	79
4. NEWSPAPER, ROP, MFR'S AD	74	73	71	75	79
5. NEWSPAPER, ROP, CO-OP	72	79	79	74	72
6. MAGAZINES	65	67	67	63	76
7. NEWSPAPER RETAILER IN-AD	57	45	51	38	50
8. SUNDAY SUPPLEMENTS	49	40	55	48	59

Source: Donnelley Marketing Annual Surveys of Promotional Practices for 1983, 1984, 1985, 1986, and 1987.

COUPONS DROPPED BY MEDIA IN MILLIONS (000,000)

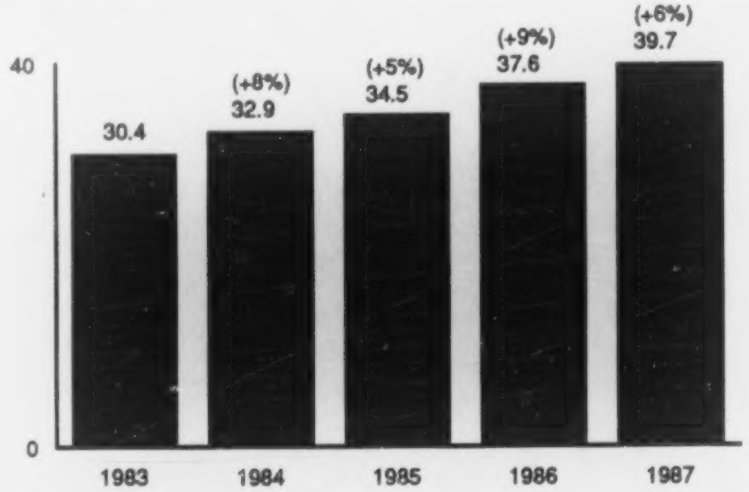
MEDIA	January	February	March	April	May	June	July	August	September	October	November	December	Total
Comics	0	0	0	0	0	11.2	0	0	0	0.6	0	0	11.8
% of month	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.06%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.01%)
Direct Mail	3963.6	1148.1	459.2	542.7	476.8	665.4	482.3	137.5	1340.5	1482.3	1254.6	179.6	12132.6
% of month	(21.49%)	(8.25%)	(2.07%)	(3.46%)	(2.19%)	(3.33%)	(3.48%)	(0.68%)	(7.42%)	(6.56%)	(5.14%)	(1.94%)	(5.51%)
Free Standing Inserts	13141.8	10307.1	16146.3	13269.8	19414.4	16932.2	11498.6	18372.5	14603.3	18477.2	21134.5	7393.2	180690.9
% of month	(71.24%)	(74.07%)	(72.95%)	(84.70%)	(89.02%)	(84.73%)	(82.96%)	(91.46%)	(80.84%)	(81.76%)	(86.62%)	(79.83%)	(82.05%)
Magazines	149.6	785.9	684.9	320.3	760.3	1087	583.9	585.8	955.8	1063.5	618.6	718.7	8314.3
% of month	(0.81%)	(5.65%)	(3.09%)	(2.04%)	(3.49%)	(5.44%)	(4.21%)	(2.92%)	(5.29%)	(4.71%)	(2.54%)	(7.76%)	(3.78%)
Sunday Magazines	31.5	47.3	48.7	20.9	2.2	10.6	7.9	10.7	36.9	5.2	3.1	1.6	226.6
% of month	(0.17%)	(0.34%)	(0.22%)	(0.13%)	(0.01%)	(0.05%)	(0.06%)	(0.05%)	(0.20%)	(0.02%)	(0.01%)	(0.02%)	(0.10%)
Best Food Day	1160.8	1537.6	1776	1288.7	1155	1095.4	1287.9	982	1128.7	1344.5	1114.2	968.3	14839.1
% of month	(6.29%)	(11.05%)	(8.02%)	(8.23%)	(5.30%)	(5.48%)	(9.29%)	(4.89%)	(6.25%)	(5.95%)	(4.57%)	(10.46%)	(6.74%)
In Store	0	90.2	3018.1	224.8	0	181.3	0	0	0	224.9	275.4	0	4014.7
% of month	(0.00%)	(0.65%)	(13.64%)	(1.43%)	(0.00%)	(0.91%)	(0.00%)	(0.00%)	(0.00%)	(1.00%)	(1.13%)	(0.00%)	(1.82%)
Total	18447.3	13916.2	22133.2	15667.2	21808.7	19983.1	13860.6	20088.5	18065.2	22598.2	24400.4	9261.4	220230
% of year	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(9.07%)	(6.29%)	(9.12%)	(8.20%)	(10.26%)	(11.08%)	(4.21%)	(100.00%)

Source: Summary Scan! A Division of the Advertising Checking Bureau, Inc. 1988

update

TREND IN AVERAGE FACE VALUE REDEEMED IN CENTS
ALL PRODUCTS

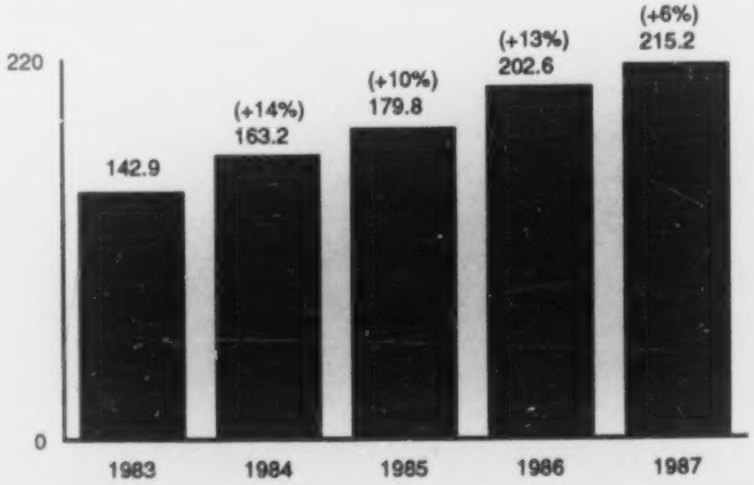
Through their use of coupons, consumers saved $2.84 billion on their purchases in 1987. This reflects an average face value redeemed of 38.7 cents. Retailers received $572 million in handling allowances for coupons redeemed in 1987.



Source: Manufacturers Coupon Control Center, 1988

TRENDS IN COUPON DISTRIBUTION
BILLIONS OF COUPONS

In 1987, total coupon distribution on all products increased 6%, rising from 202.6 billion coupons in 1986 to 215.2 billion. During the past five years, coupon distribution has increased 51%, from a total of 142.9 billion coupons in 1983.



Source: Manufacturers Coupon Control Center, 1988

1987 COUPONS REDEEMED BY MEDIA IN MILLIONS (000,000)

MEDIA	January	February	March	April	May	June	July	August	September	October	November	December	Total
Comics	0	0	0	0	0	0.1	0	0	0	0.1	0.6	0	0.8
% of month	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.01%)	(0.00%)	(0.00%)	(0.00%)	(0.01%)	(0.06%)	(0.00%)	(0.01%)
Direct Mail	201.3	54.1	184.9	57.8	42.9	59.9	43.4	16.9	114.3	130.2	98.7	11.4	1015.8
% of month	(24.31%)	(9.12%)	(18.82%)	(8.10%)	(4.92%)	(7.42%)	(8.03%)	(2.32%)	(15.87%)	(14.89%)	(10.36%)	(3.48%)	(11.36%)
Free Standing Inserts	592.4	463.8	727.9	597.7	779.7	683	460	685.2	554	673.5	794.7	276.4	7287.7
% of month	(71.53%)	(78.15%)	(74.08%)	(83.63%)	(89.35%)	(84.57%)	(85.15%)	(94.06%)	(76.93%)	(77.01%)	(83.45%)	(84.29%)	(81.50%)
Magazines	3	26.4	21.5	6.4	22.9	27	8.9	6.5	28.9	28	16.6	21.1	217.2
% of month	(0.36%)	(4.45%)	(2.19%)	(0.90%)	(2.62%)	(3.34%)	(1.65%)	(0.89%)	(4.01%)	(3.20%)	(1.74%)	(6.43%)	(2.43%)
Sunday Magazines	0.7	1	1	0.4	0.1	0.2	0.1	0.2	0.6	0.1	0.1	0	4.5
% of month	(0.08%)	(0.17%)	(0.10%)	(0.06%)	(0.01%)	(0.02%)	(0.02%)	(0.03%)	(0.08%)	(0.01%)	(0.01%)	(0.00%)	(0.05%)
Best Food Day	30.8	40.9	47.3	34.1	27	24.7	27.8	19.7	22.3	27	22.4	19	343
% of month	(3.72%)	(6.89%)	(4.18%)	(4.78%)	(3.09%)	(3.06%)	(5.15%)	(2.70%)	(3.10%)	(3.09%)	(2.35%)	(5.79%)	(3.84%)
In Store	0	7.3	0	18.2	0	12.7	0	0	0	15.7	19.2	0	73.1
% of month	(0.00%)	(1.23%)	(0.00%)	(2.55%)	(0.00%)	(1.57%)	(0.00%)	(0.00%)	(0.00%)	(1.80%)	(2.02%)	(0.00%)	(0.82%)
Total	828.2	593.5	982.6	714	872.16	807.6	540.2	728.5	720.1	874.6	952.3	327.9	8942.1
% of year	(9.26%)	(6.64%)	(10.99%)	(7.98%)	(9.76%)	(9.03%)	(6.04%)	(8.15%)	(8.05%)	(9.78%)	(10.65%)	(3.67%)	(100.00%)

Source: Summary Scan! A Division of the Advertising Checking Bureau, Inc. 1988

have on same page
as 114

PROMOTIONAL SPACE COSTS BY MEDIA IN MILLIONS (000,000) FOR THOSE ADS WITH COUPONS

Of what - $

MEDIA	January	February	March	April	May	June	July	August	September	October	November	December	Total
Comics	0	0	0	0	0	0.04	0	0	0	0.01	0	0	0.05
% of month	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.05%)	(0.00%)	(0.00%)	(0.00%)	(0.01%)	(0.00%)	(0.00%)	(0.01%)
Direct Mail	19.66	6.36	18.58	8.45	7.87	10.84	8.7	0.32	16.04	17.2	11.35	0.03	125.4
% of month	(22.53%)	(9.28%)	(17.21%)	(10.21%)	(10.03%)	(13.54%)	(14.81%)	(0.51%)	(22.05%)	(21.17%)	(13.30%)	(0.09%)	(13.93%)
Free Standing Insert	53.55	42	67.71	54.81	57.5	52.38	34.5	52.15	42.47	49.16	61.11	22.46	589.8
% of month	(61.38%)	(61.27%)	(62.71%)	(66.24%)	(73.26%)	(65.45%)	(58.71%)	(83.16%)	(58.39%)	(60.52%)	(71.62%)	(64.86%)	(65.50%)
Magazines	1.33	6.96	5.37	2.84	3.62	9.2	5.12	4.65	7	7.26	5.98	6.2	65.53
% of month	(1.52%)	(10.15%)	(4.97%)	(3.43%)	(4.61%)	(11.50%)	(8.71%)	(7.42%)	(9.62%)	(8.94%)	(7.01%)	(17.90%)	(7.28%)
Sunday Magazines	0.27	0.49	0.44	0.22	0.06	0.05	0.12	0.23	0.5	0.1	0.05	0.04	2.57
% of month	(0.31%)	(0.71%)	(0.41%)	(0.27%)	(0.08%)	(0.06%)	(0.20%)	(0.37%)	(0.69%)	(0.12%)	(0.06%)	(0.12%)	(0.29%)
Best Food Day	12.44	12.74	15.87	16.43	9.44	7.52	10.32	5.36	6.72	6.72	5.88	5.9	115.34
% of month	(14.26%)	(18.58%)	(14.70%)	(19.85%)	(12.03%)	(9.40%)	(17.56%)	(8.55%)	(9.24%)	(8.27%)	(6.89%)	(17.04%)	(12.81%)
In Store	0	0	0	0	0	0	0	0	0	0.78	0.95	0	1.73
% of month	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.96%)	(1.11%)	(0.00%)	(0.19%)
Total	87.25	68.55	107.97	82.75	78.49	80.03	58.76	62.71	72.73	81.23	85.32	34.63	900.42
% of year	(9.69%)	(7.61%)	(11.99%)	(9.19%)	(8.72%)	(8.89%)	(6.53%)	(6.96%)	(8.08%)	(9.02%)	(9.48%)	(3.85%)	(100.00%)

Source: Summary Scan! A Division of the Advertising Checking Bureau Inc., 1988

Keep redemption
drop # tog

PROMOTIONAL SPACE COSTS BY MEDIA IN MILLIONS (000,000) FOR ADS WITHOUT COUPONS

delete or use totals

MEDIA	January	February	March	April	May	June	July	August	September	October	November	December	Total
Comics	0.01	0.17	0.03	0.1	0.03	0.02	0.07	0.21	0.04	0.02	0	0	0.7
% of month	(0.06%)	(1.04%)	(0.15%)	(0.58%)	(0.14%)	(0.08%)	(0.32%)	(1.07%)	(0.17%)	(0.08%)	(0.00%)	(0.00%)	(0.30%)
Direct Mail	2.32	1.14	1.7	0.72	0.34	1.58	0.11	0.01	3.61	0.82	0.96	0.01	13.32
% of month	(14.38%)	(6.96%)	(8.67%)	(4.15%)	(1.59%)	(6.10%)	(0.51%)	(0.05%)	(15.65%)	(3.48%)	(4.67%)	(0.09%)	(5.63%)
Free Standing Inserts	7.22	6.36	8.74	8.23	10.58	9.48	7.08	9.13	7.94	7.82	7.11	2.18	91.87
% of month	(44.76%)	(38.85%)	(44.59%)	(47.88%)	(49.39%)	(39.93%)	(32.76%)	(46.68%)	(34.43%)	(33.15%)	(34.58%)	(18.81%)	(38.84%)
Magazines	2.4	3.87	4.04	4.64	6.45	7.75	9.6	7.03	7.91	12.32	11	7.94	84.95
% of month	(14.88%)	(23.64%)	(20.61%)	(26.71%)	(30.11%)	(30.19%)	(44.42%)	(35.94%)	(34.30%)	(52.23%)	(53.50%)	(58.51%)	(35.92%)
Sunday Magazines	1.3	1.37	1.5	0.16	0.78	0.44	0.48	0.68	0.58	0.47	0.04	0.06	7.86
% of month	(8.06%)	(8.37%)	(7.65%)	(0.92%)	(3.64%)	(1.71%)	(2.22%)	(3.48%)	(2.52%)	(1.99%)	(0.19%)	(0.52%)	(3.32%)
Best Food Day	2.88	3.46	3.59	3.52	3.24	5.42	4.27	2.5	2.98	2.1	1.22	1.4	36.58
% of month	(17.85%)	(21.14%)	(18.32%)	(20.26%)	(15.13%)	(21.11%)	(19.76%)	(12.78%)	(12.92%)	(8.90%)	(5.93%)	(12.08%)	(15.47%)
In Store	0	0	0	0	0	0.98	0	0	0	0.04	0.23	0	1.25
% of month	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(3.82%)	(0.00%)	(0.00%)	(0.00%)	(0.17%)	(1.12%)	(0.00%)	(0.53%)
Total	16.13	16.37	19.6	17.37	21.42	25.67	21.61	19.56	23.06	23.59	20.56	11.59	236.53
% of year	(6.82%)	(6.92%)	(8.29%)	(7.34%)	(9.06%)	(10.85%)	(9.14%)	(8.27%)	(9.75%)	(9.97%)	(8.69%)	(4.90%)	(100.00%)

Source: Summary Scan! A Division of the Advertising Checking Bureau, Inc. 1988

VALUE OF COUPONS REDEEMED BY MEDIA IN MILLIONS OF DOLLARS (includes 10¢ added to each coupon redeemed)

delete

MEDIA	January	February	March	April	May	June	July	August	September	October	November	December	Total
Comics	0	0	0	0	1.3	0.1	0	0	0	0.1	0	0	1.5
% of month	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.39%)	(0.03%)	(0.00%)	(0.00%)	(0.00%)	(0.03%)	(0.00%)	(0.00%)	(0.99%)
Direct Mail	85	20.7	75.1	23.8	22.4	24.4	17.6	5.4	47.3	42.3	39	7.2	411.1
% of month	(26.55%)	(9.01%)	(17.31%)	(8.24%)	(6.80%)	(7.94%)	(7.33%)	(1.90%)	(17.17%)	(13.03%)	(10.77%)	(5.57%)	(11.64%)
Free Standing Inserts	221.4	182.1	326.4	237.7	286.9	257	205.9	267.6	210.4	265.3	302.6	106.1	2869.4
% of month	(69.17%)	(79.28%)	(75.22%)	(82.25%)	(87.12%)	(83.60%)	(85.79%)	(94.23%)	(76.37%)	(80.03%)	(83.57%)	(82.06%)	(81.24%)
Magazines	0.8	8.5	6.7	2.7	8.2	9.5	3.8	2.1	8.7	7.4	6	7.1	71.5
% of month	(0.25%)	(3.70%)	(1.54%)	(0.93%)	(2.49%)	(3.09%)	(1.58%)	(0.74%)	(3.16%)	(2.23%)	(1.66%)	(6.49%)	(2.02%)
Sunday Magazines	0.2	0.5	0.2	0.1	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1	2
% of month	(0.06%)	(0.22%)	(0.05%)	(0.03%)	(0.03%)	(0.03%)	(0.04%)	(0.04%)	(0.11%)	(0.03%)	(0.03%)	(0.08%)	(0.06%)
Best Food Day	12.7	14.6	25.5	17.5	10.4	12.2	12.6	8.8	8.8	10.5	8.7	8.8	151.1
% of month	(3.97%)	(6.36%)	(5.88%)	(6.06%)	(3.16%)	(3.97%)	(5.25%)	(3.10%)	(3.19%)	(3.17%)	(2.40%)	(6.81%)	(4.28%)
In Store	0	3.3	0	7.2	0	4.1	0	0	0	4.9	5.7	0	25.2
% of month	(0.00%)	(1.44%)	(0.00%)	(2.49%)	(0.00%)	(1.33%)	(0.00%)	(0.00%)	(0.00%)	(1.48%)	(1.57%)	(0.00%)	(0.71%)
Total	310.1	229.7	433.9	289	329.3	307.4	240	284	275.5	331.5	362.1	129.3	3531.8
% of year	(9.06%)	(6.50%)	(12.29%)	(8.18%)	(9.32%)	(8.70%)	(6.80%)	(8.04%)	(7.80%)	(9.39%)	(10.25%)	(3.66%)	(100.00%)

Source: Summary Scan! A Division of the Advertising Checking Bureau Inc., 1988

COUPON ANALYSIS ASSUMPTION

explain example of how to read chart

Publication	100% Circulation (Million)	% Response	Resultant Coupons to 100% Circulation (000)	***Full Page Space Cost (000)
I. Newspapers				
Best Food Day				
Valassis B/W Coop	40.0	2.2	880	1 cpn = 150
Sunflower	40.0	2.2	880	1 cpn = 150
B & W Solo"	25.0	2.1	525	300 lines = 124
Sunday				
Comics	38.0	0.5	190	½ page 315
F.S.I.	48.3	4.0	1932	Full pg. ($5.43) = 262 ½ pg. ($2.89) = 136
Parade	30.9	1.8	556	$ 296
Sunday Magazine Group	20.9	1.8	376	217
U.S.A. Weekend	14.0	1.8	252	$ 126
II. Direct Mail				
Act Now	17.0	7.0	1190	315
ADVO Network Mail	42.7	9.0	3843	18
Carol Wright Except Months listed below:	35.0	9.0	3150	490
Jan, Apr, Sept, October:	45.0	9.0	4050	630
Hispanic	2.8	7.0	196	73 (E size ad)
Larry Tucker	15.0	14.0	2100	300
New Age	12.2	7.0	854	60
P&G Direct	26.0	9.0	2340	392
Teen Life	2.8	7.0	196	63 (E size ad)
Red Letter Day	30	9.0	2700	300

Source: Summary Scan: Division of the Advertising Checking Bureau, Inc. 1988

VOLUME OF INSERTS IN SUNDAY/DAILY NEWSPAPERS

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YEAR	FREE-STANDING INSERTS (CIRCULATION IN BILLIONS)	PERCENTAGE OF GROWTH ANNUALLY	PERCENTAGE OF GROWTH CUMULATIVELY	FREE STANDING INSERT REVENUE* (BILLIONS)	PERCENTAGE ANNUALLY	PERCENTAGE CUMULATIVELY
1975	15.800	2.8	223.9	–		
1980	27.733	2.2	393.0	$2,032,453	–	100.0
1981	28.708	3.5	406.8	$2,288,542	12.6	112.6
1982	29.966	4.4	424.6	$2,517,396	10.0	123.9
1983	35.727	19.2	506.3	$3,095,000	22.9	152.3
1984	41.265	15.5	584.7	$3,691,407	19.3	181.6
1985	45.379	10.0	643.0	$4,178,673	13.2	205.6
1986	51.503	13.5	729.8	$4,868,154	16.5	239.5
1987	54.778	6.4	776.2	$5,435,780	11.7	267.4

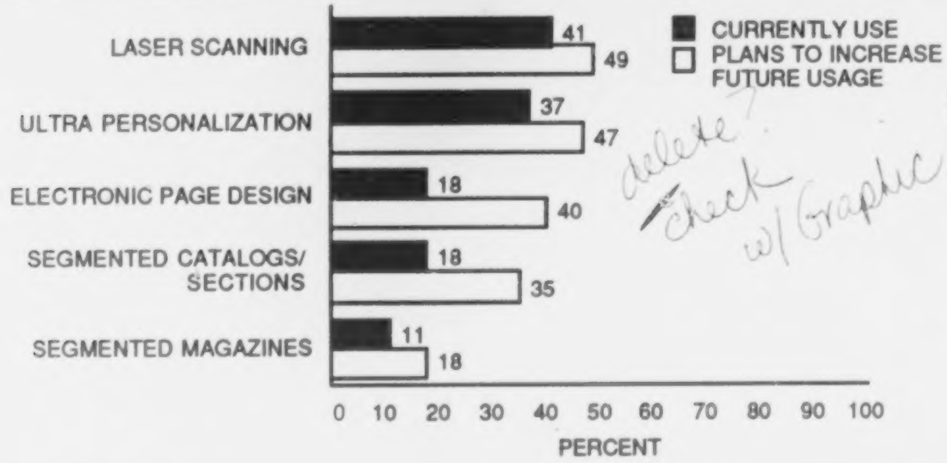
*Based on a 12-page tabloid and includes printing and inserting. A ratio of 55% printing and 45% inserting has been used. Years prior to 1982 have used a 50/50 ratio.

Source: Newspaper Advertising Bureau, Inc., 1988

update

USE OF GRAPHIC ART TECHNOLOGIES

The DMA Management Survey of Current Direct Marketing Practices and Trends was conducted by mail in August 1986 among 4,550 companies. A 22 percent response rate was achieved.



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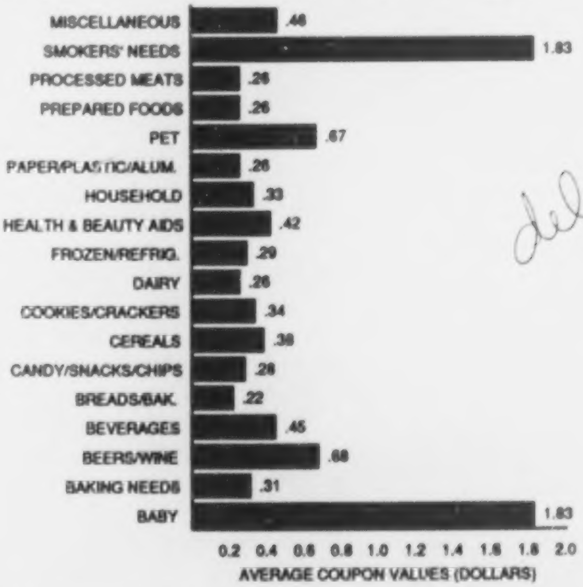
Source DMA Research Department, Marketing Council, 1986

JANUARY 1987 MEDIA: AVERAGE COUPON VALUE BY CATEGORY (CENTS)

Coupon values for smokers' products and baby needs averaged close to $2 each and ran well ahead of all other categories measured in January. Both categories registered the lowest redemption rates for the month.

The Health & Beauty Aids category carried the highest coupon redemption totals for the month.



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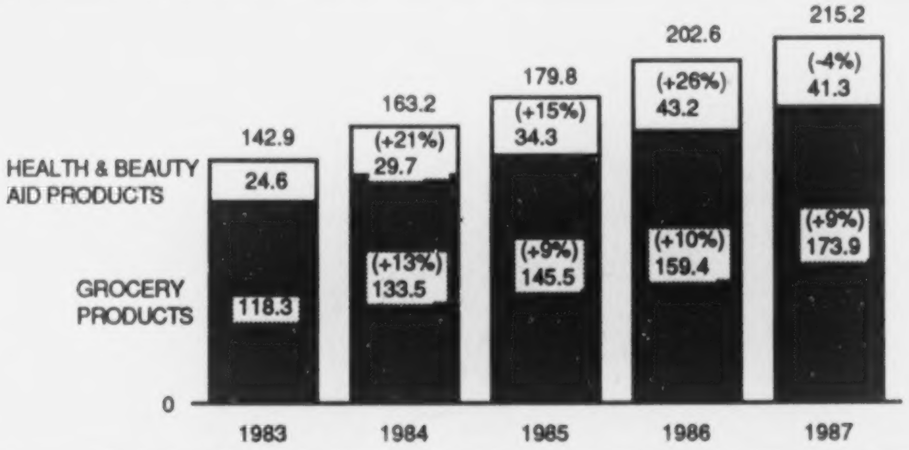
Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1988

TRENDS IN COUPON DISTRIBUTION

BILLIONS OF COUPONS

Coupon distribution on grocery products increased 9% in 1987 to 173.9 billion coupons. Coupons issued on grocery products represented 81% of all activity in 1987. This category includes promotions on food and household care items.



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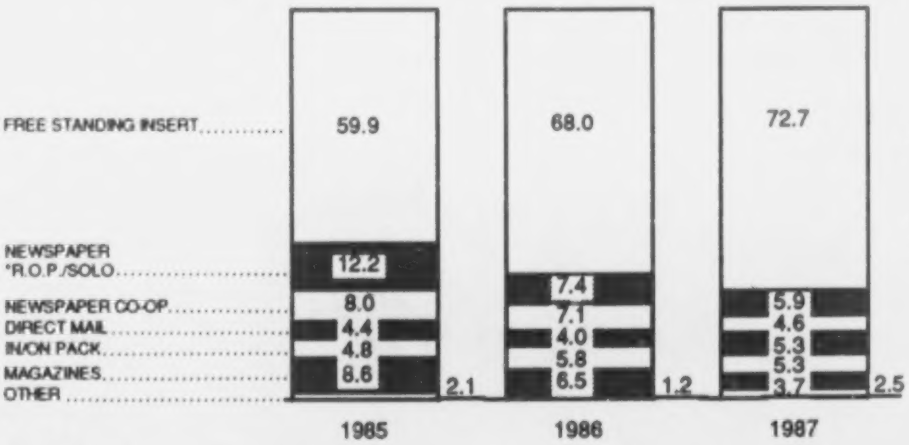
Source: Manufacturers Coupon Control Center, 1988.

PERCENT OF DISTRIBUTION BY MEDIA

ALL PRODUCTS

Once again, free standing inserts gained share in the total number of coupons distributed. This medium increased from a share of 68.0% in 1986 to 72.7% in 1987. Direct Mail increased from a share of 4.0% in 1986 to 5.3% in 1987. All other media declined in share between 1986 and 1987.



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*R.O.P. = Run of Paper/Press—usually refers to color printing which can be placed on any page of a newspaper or magazine.

Source: Manufacturers Coupon Control Center, 1988.

COUPON REDEMPTION RATES BY MEDIA
GROCERY PRODUCTS

In reviewing average coupon redemption rates, it is important to recognized that there is a range of redemption rates above and below the media average. A statistical measure called the middle-half range has been included to provide some indication of the variability of the data. The middle-half range includes the middle 50% of all offers in each medium, but excludes the 25% highest redeeming and the 25% lowest redeeming offers.

For example, FSI-average redemption rate of 3.6%. Middle-half range of 2.1%–5.5%. This means the middle 50% of FSI coupons had a redemption rate of between 2.1% and 5.5%.

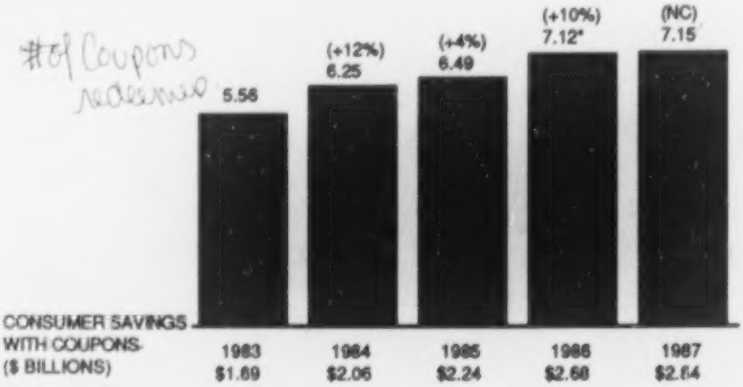
MEDIA		AVERAGE REDEMPTION RATE	MIDDLE-HALF RANGE
			.8% - 3.3%
DAILY NEWSPAPER	ROP SOLD	2.1%	.7% - 3.2%
	CO-OP (ALL)	1.9%	2.1% - 5.5%
SUNDAY NEWSPAPER	FSI	3.6%	.6% - 1.8%
	SUPPLEMENT	1.2%	.8% - 2.6%
MAGAZINES	ON-PAGE	1.8%	2.0% - 5.4%
	POP-UP/INSERT	3.6%	3.4% - 9.6%
DIRECT MAIL		5.8%	5.8% - 22.9%
IN/ON-PACK	REGULAR IN-PACK	14.0%	6.0% - 23.7%
	REGULAR ON-PACK	12.9%	2.2% - 6.9%
	IN-PACK CROSS RUFF	4.6%	1.9% - 6.0%
	ON-PACK CROSS RUFF	3.8%	15.4% - 52.3%
INSTANT ON-PACK		31.0%	

Source: Manufacturers Coupon Control Center, 1988

TRENDS IN COUPON REDEMPTION/+ Savings for Consumers.
BILLIONS OF COUPONS

A total of 7.15 billion coupons were redeemed by consumers in 1987, a slight increase over 1986. Since 1983, coupon redemption has increased 29%, from 5.56 billion.

# of Coupons redeemed



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*Restated based on latest results.

Source: Manufacturers Coupon Control Center, 1988

UNITED STATES RESULT OF 1986 INSERT VOLUME SURVEY PROJECTED CIRCULATION

(IN BILLIONS)

METHOD AND SAMPLE

A questionnaire was sent to 1,572 United States daily and Sunday newspapers. We received 799 usable returns. These returns were sorted into the eight circulation groupings appearing in the 1987 Editor and Publisher Year Book. Each grouping was then projected to 100%.

	FULL RUN	%	PARTIAL RUN	%	TOTAL	%	SHARE FULL %	SHARE PARTIAL %	% COMPARISON TO 1985 TOTALS
TOTAL RETAIL	28.805	100.0	18.598	100.0	47.403	100.0	60.8	39.2	+ 9.6
Sunday	13.417	46.6	9.717	52.2	23.134	48.8	58.0	42.0	+ 2.2
Daily	15.388	53.4	8.881	47.8	24.269	51.2	63.4	36.6	+17.6
TOTAL NATIONAL	6.276	100.0	1.099	100.0	7.375	100.0	85.1	14.9	−10.4
Sunday	5.898	94.0	0.965	87.8	6.863	93.1	85.9	14.1	− 7.0
Daily	0.378	6.0	0.134	12.2	0.512	6.9	73.8	26.2	−40.3
GRAND TOTALS	35.081	100.0	19.697	100.0	54.778	100.0	64.0	36.0	+ 6.4
ADDITIONAL COMPARISONS:									
TOTAL SUNDAY	19.315	55.1	10.682	54.2	29.997	54.8	64.4	35.6	+ 0.0
TOTAL DAILY	15.766	44.9	9.015	45.8	24.781	45.2	63.6	36.4	+15.3

Advertiser Free-Fall insert investments for 1987 came to $5,435,780,000 or 11.6% above 1986. This is based on a 12-page tabloid and includes printing and inserting. A ratio of 55% printing and 45% inserting has been used. Years prior to 1982 have used a 50/50 ratio.

Source: Newspaper Advertising Bureau, Inc., April 1988

delete.

• ELECTRONIC/ TELEVISION

CONSUMER ATTITUDES

TRENDS

PROJECTIONS

CONSUMER VIEWS ABOUT TELEVISION HOMESHOPPING PROGRAMS

	(BASE)	STRONGLY AGREE	SOMEWHAT AGREE	SOMEWHAT DISAGREE	STRONGLY DISAGREE	DON'T KNOW
"HOME SHOPPING PROGRAMS ARE A FAD THAT WILL NOT LAST VERY LONG."						
TOTAL PUBLIC	(1001)	17%	24	29	15	16
TOTAL FAMILIAR	(725)	16%	26	32	16	10
TOTAL WATCHED	(468)	16%	24	35	19	6
"IT IS TOO EASY FOR THESE PROGRAMS TO EXAGGERATE OR DISTORT THE DESCRIPTION OF AN ITEM BEING OFFERED FOR SALE."						
TOTAL PUBLIC	(1001)	37%	32	13	7	11
TOTAL FAMILIAR	(725)	38%	34	14	7	6
TOTAL WATCHED	(468)	40%	32	15	8	5
"HOME SHOPPING PROGRAMS ARE A REAL CONVENIENCE FOR BUSY PEOPLE OR THOSE WHO CAN'T GET OUT TO SHOP."						
TOTAL PUBLIC	(1001)	30%	41	11	8	9
TOTAL FAMILIAR	(725)	32%	42	13	9	4
TOTAL WATCHED	(468)	33%	43	11	10	3
"IF YOU SHOP AROUND, YOU PROBABLY CAN FIND A LOWER PRICE FOR MOST ITEMS THAN THE PRICE ON A TV SHOPPING PROGRAM."						
TOTAL PUBLIC	(1001)	36%	28	11	6	19
TOTAL FAMILIAR	(725)	36%	28	13	7	15
TOTAL WATCHED	(468)	34%	30	15	9	12
"HOME SHOPPING PROGRAMS ENCOURAGE PEOPLE TO BUY, ON IMPULSE, MORE THAN THEY CAN AFFORD."						
TOTAL PUBLIC	(1001)	42%	28	12	8	10
TOTAL FAMILIAR	(725)	44%	29	13	7	7
TOTAL WATCHED	(468)	44%	29	14	7	6
"HOME SHOPPING PROGRAMS PROVIDE ENJOYABLE ENTERTAINMENT FOR MANY PEOPLE EVEN IF THEY BUY LITTLE OR NOTHING."						
TOTAL PUBLIC	(1001)	23%	36	15	14	12
TOTAL FAMILIAR	(725)	26%	39	15	14	6
TOTAL WATCHED	(468)	31%	42	13	12	3

Source: Opinion Research Corporation, April 1987

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NATIONAL GROWTH IN CABLE SUBSCRIBERS AND HOUSEHOLD PENETRATION 1970–1987

YEAR	CABLE SUBSCRIBERS (000)	HOUSEHOLD PENETRATION (%)	PAY SUBSCRIBERS (000)
1987	44,971	50.5	27,600
1986	42,237	48.1	23,709
1985	39,873	46.2	24,165
1984	37,291	43.7	22,375
1983	33,794	40.5	21,151
1982	29,341	35.0	17,311
1981	23,219	28.3	11,842
1980	17,671	22.6	7,599
1975	9,197	13.2	NA
1970	4,498	7.5	NA

- Cable penetration projected to reach 56% by 1990

Source: Cabletelevision Advertising Bureau, Inc., 1988

FAMILIARITY WITH TELEVISION HOMESHOPPING PROGRAMS BY DEMOGRAPHICS

The Opinion Research Corporation's Issue Watch: Public Awareness of TV Home Shopping Programs was conducted by telephone in March 1987 among 1,001 adults—500 men and 501 women.

There is a relatively new type of program on television—the home shopping program on which all kinds of merchandise are offered for sale. Viewers make their purchases by phoning in their orders on a toll-free line and paying by either credit card or check.

		PERCENT BY LEVEL OF HOMESHOPPING FAMILIARITY				
	(BASE)	VERY FAMILIAR	FAIRLY FAMILIAR	ONLY A LITTLE FAMILIAR	NOT AT ALL FAMILIAR	DON'T KNOW
TOTAL PUBLIC	(1001)	15%	22	34	28	1
NORTHEAST	(213)	19%	22	31	28	*
NORTH CENTRAL	(250)	13%	22	39	25	2
SOUTH	(340)	15%	20	33	31	1
WEST	(198)	13%	26	35	25	*
NON-METRO AREA	(260)	8%	20	37	34	2
METRO AREA (UNDER 1 MILLION)	(338)	16%	21	32	30	1
METRO AREA (1 MILLION +)	(403)	19%	25	35	21	*
LESS THAN 35 YEARS OLD	(366)	17%	24	40	18	1
35–64 YEARS	(498)	15%	24	33	27	1
65 YEARS OR MORE	(130)	8%	12	25	54	1
HIGH SCHOOL INCOMPLETE	(100)	15%	14	26	44	*
HIGH SCHOOL GRADUATE	(370)	15%	20	32	31	1
COLLEGE INCOMPLETE	(189)	15%	26	34	24	1
COLLEGE GRADUATE	(330)	15%	25	41	19	*

*Less than ½%

Source: Opinion Research Corporation, April, 1987

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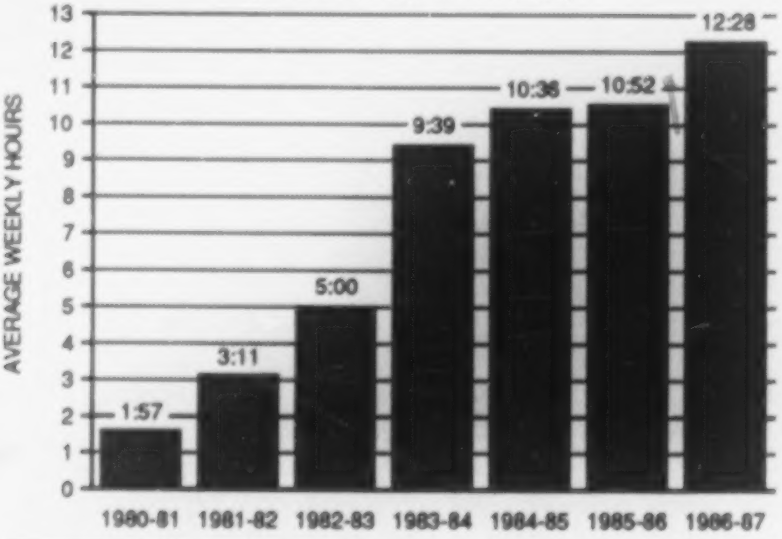
CABLE TV VIEWING ACTIVITY

WEEKLY HOURS PER HOUSEHOLD UP ONE-THIRD IN 3 YEARS

— smaller type

(EXCLUDING SUPERSTATIONS)

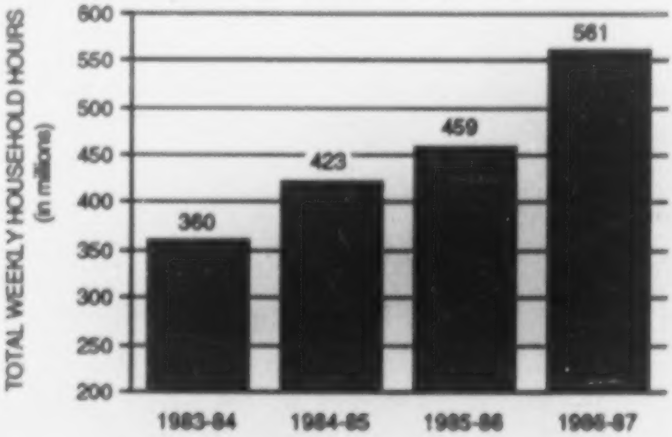


Source: CAB Analysis of A.C. Nielsen Data 1988

TOTAL TIME SPENT INCREASES NINEFOLD WHEN COMPOUNDED WITH RISE IN CABLE HOUSEHOLDS

smaller type

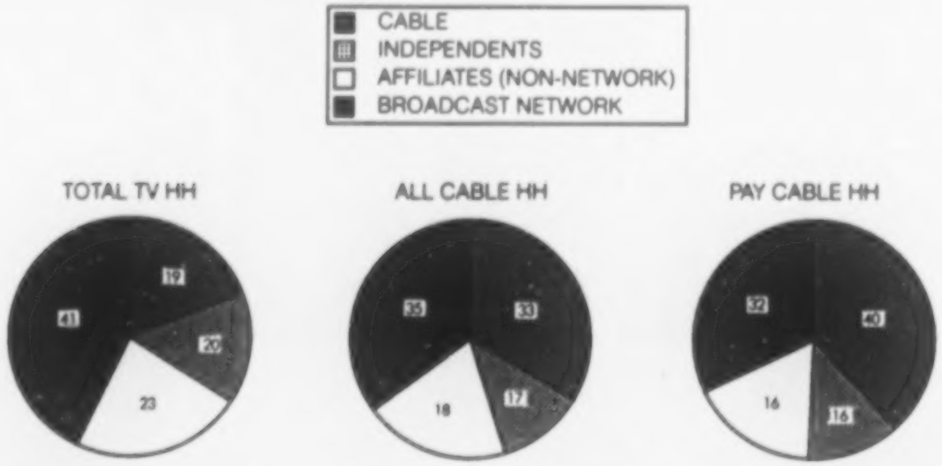
(EXCLUDING SUPERSTATIONS)



Source: CAB Analysis of A.C. Nielsen Data, 1988

HOW VIEWERS DIVIDE THEIR TIME AMONG MAJOR PROGRAMMING SOURCES

These charts reflect the distribution of *all television viewing* (Mon-Sun, 24 hrs/day) among the major programming sources. For example, of all the viewing that takes place in cable households (center pie), 33% is to cable programming, 35% is to broadcast network, 18% is to affiliates (non-network programming) and 17% is to independents. Below the pie is a more detailed breakdown of viewership to each of these program sources.



BROADCAST NETWORK		**BROADCAST NETWORK**		**BROADCAST NETWORK**	
PRIMETIME	19%	PRIMETIME	16%	PRIMETIME	15%
DAYTIME	11	DAYTIME	10	DAYTIME	9
EARLY MORNING	3	EARLY MORNING	3	EARLY MORNING	2
WEEKEND	4	WEEKEND	3	WEEKEND	3
LATE NIGHT	2	LATE NIGHT	2	LATE NIGHT	2
EARLY EVENING NEWS	2	EARLY EVENING NEWS	1	EARLY EVENING NEWS	1
TOTAL	41	TOTAL	35	TOTAL	32
CABLE		**CABLE**		**CABLE**	
SATELLITE NETWORKS	9	SATELLITE NETWORKS	19	SATELLITE NETWORKS	19
SUPERSTATIONS	4	SUPERSTATIONS	4	SUPERSTATIONS	4
PAY SERVICES	6	PAY SERVICES	10	PAY SERVICES	17
TOTAL	19	TOTAL	33	TOTAL	40
NETWORK AFFILIATES (NON-NETWORK PROGRAMMING)	23	**NETWORK AFFILIATES** (NON-NETWORK PROGRAMMING)	18	**NETWORK AFFILIATES** (NON-NETWORK PROGRAMMING)	16
INDEPENDENTS		**INDEPENDENTS**		**INDEPENDENTS**	
LOCAL	14	LOCAL	10	LOCAL	10
DISTANT	2	DISTANT	3	DISTANT.	2
TOTAL	16	TOTAL	13	TOTAL	12
☐ **PUBLIC**	4	**PUBLIC**	3	**PUBLIC**	3

Source: CAB Analysis of A.C. Nielsen Data, 1988

CABLE SUBSCRIBER DEMOGRAPHICS VS. USERS OF OTHER MEDIA

Cable offers advertisers an important competitive edge over other media. Cable viewers are younger, better educated, more affluent, hold higher level employment and live in larger households. They also have greater purchasing power.

HOUSEHOLD INCOME	TOTAL U.S.	CABLE NET-WORK[1]	PRIME TIME BROAD-CAST[2]	RADIO[3]	NEWS-PAPER[4]	MAGA-ZINE[5]
$50,000 +	100	127	98	106	109	107
$40,000–$49,999	100	111	100	105	107	107
$30,000–$39,999	100	109	101	102	102	103
$20,000–$29,999	100	98	100	99	100	100
$10,000–$19,999	100	77	102	95	92	94
Under $10,000	100	60	98	87	81	81
OCCUPATION						
EXECUTIVE/ MANAGERIAL/ ADMINISTRATIVE	100	125	102	107	110	107
PROFESSIONAL	100	109	98	107	110	105
CLERICAL/SALES/ TECHNICAL	100	116	101	108	105	107
OTHER EMPLOYED	100	95	95	104	96	98
NOT EMPLOYED	100	87	103	90	96	95
HOUSEHOLD SIZE						
3+ PERSONS	100	107	99	104	101	102
2	100	92	101	97	107	100
1	100	66	97	90	88	93
AGE						
18–34	100	104	97	111	87	103
35–54	100	109	102	102	103	102
55 +	100	83	102	83	110	95
EDUCATION						
COLLEGE GRADUATE	100	110	99	105	109	107
ATTENDED COLLEGE	100	115	99	106	108	108
HS GRADUATE	100	101	101	102	101	102
NOT HS GRADUATE	100	81	100	89	86	86

[1] Past seven days
[2] Monday-to-Saturday, 8–11pm, and Sunday, 7–11pm
[3] Monday-to-Friday, 24 hour period
[4] Monday-to-Friday; looked at or read any issue day before
[5] Weeklies read past week, monthlies read past month

Source: CAB Analysis of MRI Data, 1988

update

CABLE PENETRATION BY REGION (1980–87)

Cable has already penetrated 98% of all U.S. regions and metropolitan areas.

NIELSEN MARKETING TERRITORY	1980	1981	1982	1983	1984	1985	1986	1987
NEW ENGLAND	19%	25%	32%	38%	44%	50%	56%	59%
METRO NEW YORK*	11	19	26	28	30	33	34	36
MIDDLE ATLANTIC	27	32	39	43	45	48	50	52
EAST CENTRAL	23	28	36	43	46	48	50	52
METRO CHICAGO*	1	2	8	15	21	24	29	33
WEST CENTRAL	19	24	31	38	41	44	46	48
SOUTHEAST	21	27	35	41	44	46	48	50
SOUTHWEST	22	28	37	45	47	50	50	50
GREATER LOS ANGELES*	12	16	22	25	29	34	36	38
REMAINING PACIFIC	28	33	38	43	46	49	49	51

*With franchising process now complete, rate of cable penetration growth projected to increase significantly.

Source: Cabletelevision Advertising Bureau, Inc., 1988

update

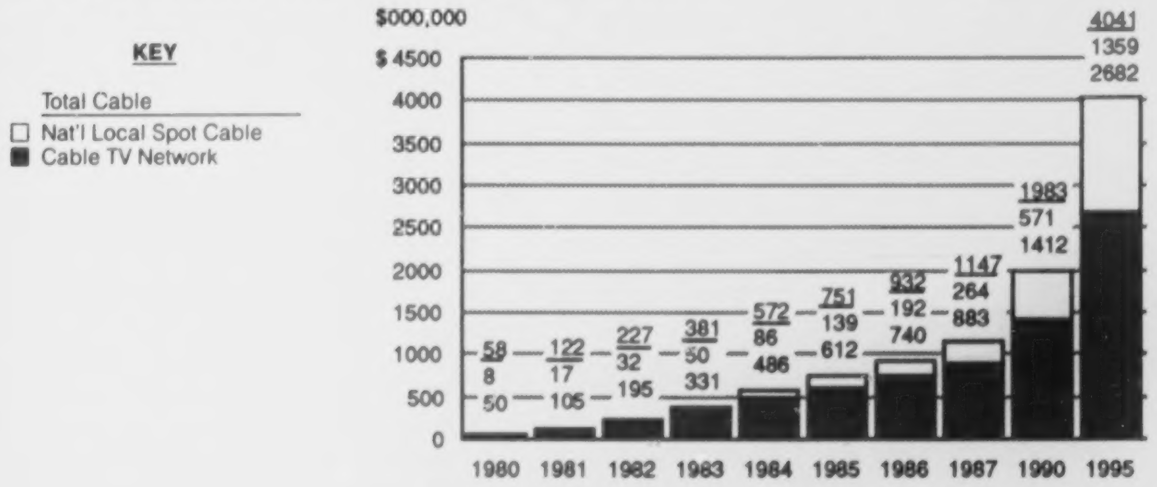
HOME SHOPPING REVENUE ESTIMATES (1985–1992)

YEAR	# OF TV HOMES OFFERED SHOPPING (MILLIONS)	SALES PER HOME AVERAGE	HOME SHOPPING REVENUES ($ BILLIONS)	% INCREASE
1985	3.0	$30	$0.091	—
1986	13.0	$35	$0.46	406%
1987	46.0	$38	$1.75	284%
1988	56.5	$45	$2.55	45%
1989	64.0	$53	$3.40	33%
1990	70.0	$59	$4.13	22%
1991	75.0	$65	$4.88	18%
1992	79.0	$71	$5.60	15%

Source: Paul Kagan Associates, Inc., October 1987 6

new states

CABLE ADVERTISING EXPENDITURES 1980–95



Note: Top number represents Total Cable (Nat'l Local Spot Cable + Cable TV Network) Expenditures
Middle number represents Nat'l Local Spot Cable Expenditures
Bottom number represents Cable TV Network Expenditures

Source: Paul Kagan Associates, Inc., 1987 6

LISTS/DATABASES

CONSUMER ATTITUDES

COSTS

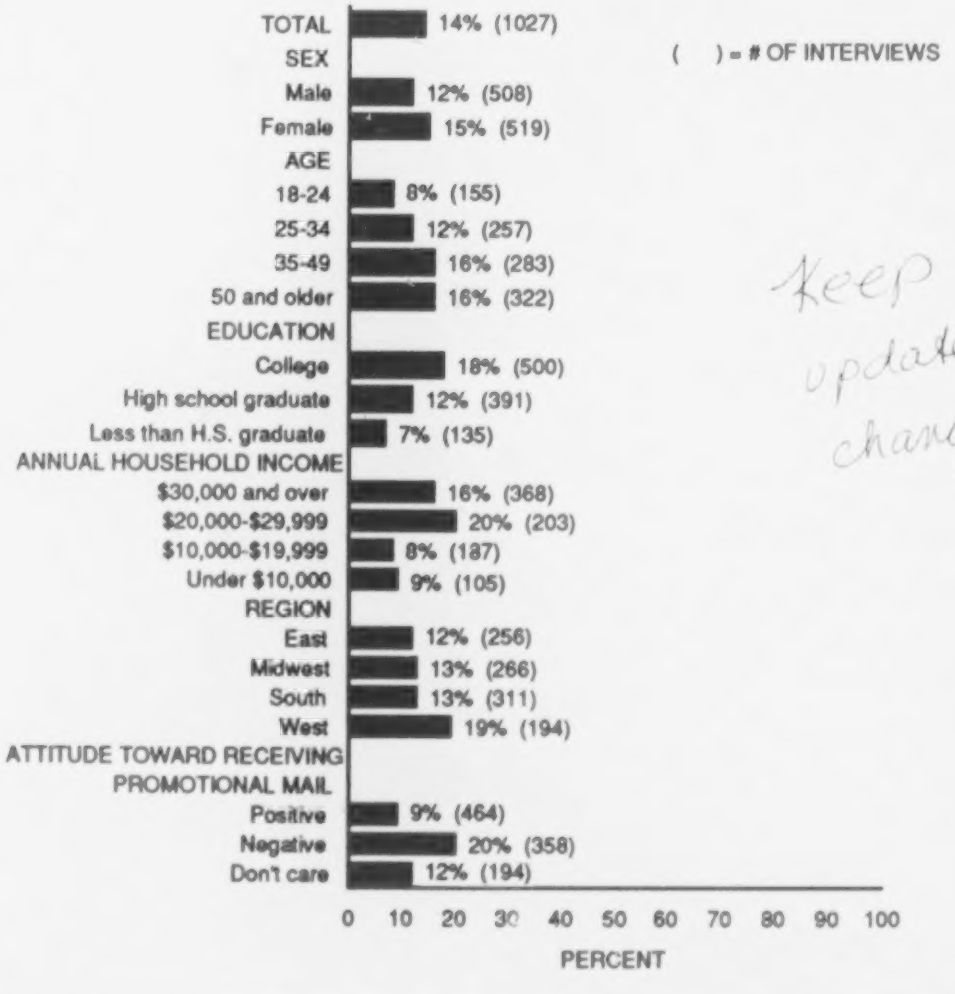
TRENDS

PROJECTIONS

CONSUMER ATTITUDES TOWARDS PROMOTIONS AND MERCHANDISE ORDERED

The Gallup Organization's study on Consumer Attitudes toward Promotions and Merchandise Ordered was conducted by telephone during July 1986 among 1,027 adults.

Have you ever requested that your name be removed from the mailing list of a company that was soliciting your business?



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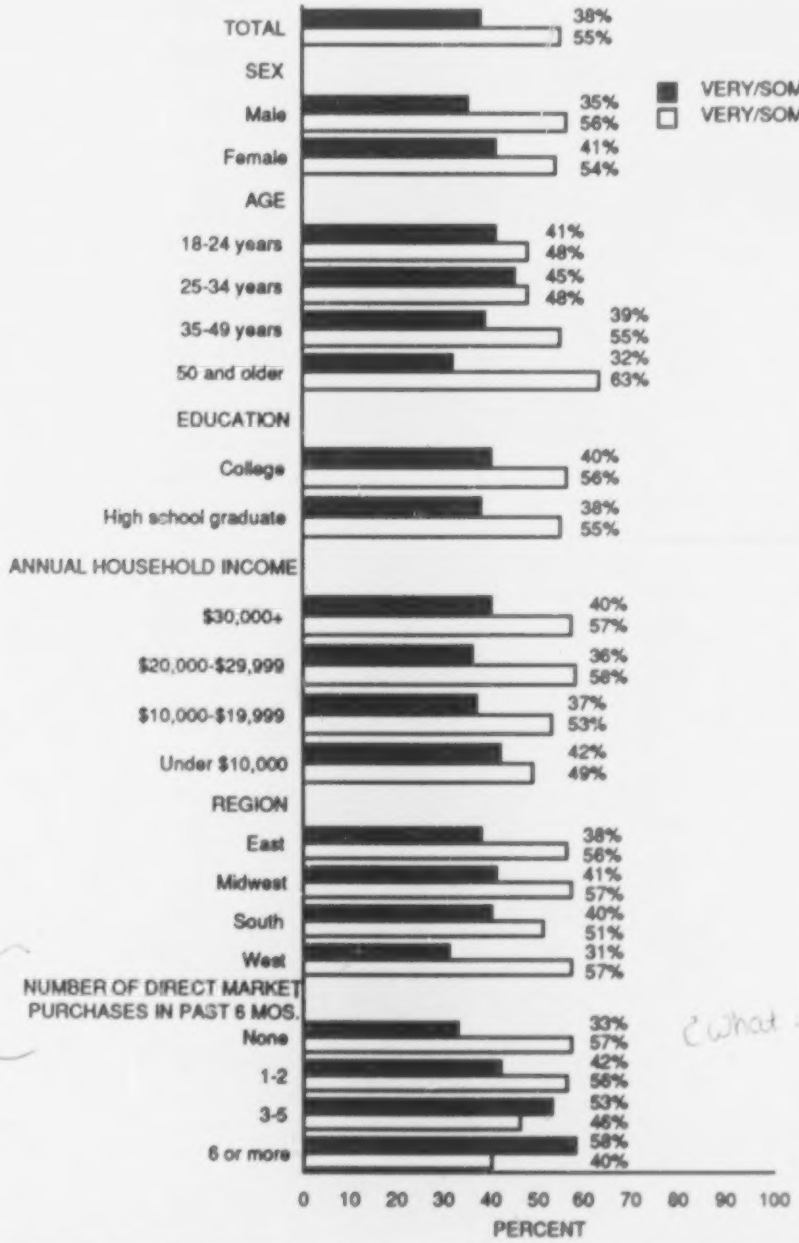
Source: Target Marketing, Gallup Organization, Sept. 1986

HOW DID THEY GET MY NAME?

The Gallup Organization's Don't Rent My Name! Survey was conducted by personal interviews during October 21–28, 1986 among 1,559 adults.

I *do not* mind if companies I buy from give my name to other companies so they can also send me brochures and catalogs.



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(what it means)

Source: Target Marketing, Gallup Organization, September 1987

1986 LIST INDUSTRY SALARIES BY TYPE OF SERVICE AND TITLE

The DMA List Industry Compensation Study was conducted by mail in August, 1986 among 693 list firms, companies with in-house list managers and computer service bureaus. The study's findings provide a detailed profile of respondents and an analysis of compensation on a total respondent base (153), as well as by employee size, average number of monthly orders and geographic location. The following charts highlight the Study's findings.

SERVICE/TITLE	AVERAGE SALARY	MEDIAN SALARY	AVERAGE % BASE SALARY	MEDIAN % BASE SALARY
LIST MANAGEMENT				
EXECUTIVE V.P. GENERAL BRANCH MANAGER	$70,813	$60,000	75%	80%
LIST MANAGEMENT (ACCOUNT SERVICES)				
VICE PRESIDENT, ACCOUNT SUPERVISOR AND DIRECTOR OF LIST MANAGEMENT DEVELOPMENT	$52.302	$45,000	74%	80%
ACCOUNT EXECUTIVE OF LIST MANAGEMENT	$32,396	$28,550	74%	85%
ASSISTANT TO ACCOUNT EXECUTIVE OF LIST MANAGEMENT	$17,772	$16,550	89%	100%
ADVERTISING AND PROMOTION OF LIST MANAGEMENT	$25,273	$22,000	87%	95%
LIST BROKERAGE (ACCOUNT SERVICES)				
VICE PRESIDENT, ACCOUNT SUPERVISOR AND DIRECTOR OF LIST BROKERAGE	$58,157	$40,000	70%	79%
ACCOUNT EXECUTIVE OF LIST BROKERAGE	$31,036	$25,000	76%	88%
ASSISTANT TO ACCOUNT EXECUTIVE OF LIST BROKERAGE	$17,203	$17,500	86%	100%
LIST REGISTRAR OF LIST BROKERAGE	$17,881	$15,500	80%	97%
ADVERTISING AND PROMOTION MANAGER OF LIST BROKERAGE	$21,611	$21,000	84%	80%
PRODUCTION AND DATA PROCESSING				
PRODUCTION MANAGER	$33,196	$30,000	94%	95%
PRODUCTION ASSISTANT	$20,865	$20,000	97%	100%
VICE PRESIDENT, DATA PROCESSING DIRECTOR	$58,589	$55,000	86%	90%
SYSTEMS ANALYST	$33,090	$30,000	97%	98%
COMPUTER OPERATOR	$18,921	$18,000	96%	100%
INPUT CONTROL TECHNICIAN	$19,998	$18,436	97%	99%
LIST COMPILATION				
LIST COMPILATION MANAGER	$30,731	$27,500	96%	98%
COMPILATION PROJECT LEADER	$22,447	$24,000	88%	95%
ACQUISITION MANAGER	$74,857	$32,000	91%	90%
COMPILATION CLERK	$16,265	$15,000	96%	98%

Source: DMA Research Department, 1986

NUMBER OF LISTS BY CATEGORIES THAT HAVE BEEN LISTED IN SRDS DIRECT MAIL LIST RATES AND DATA DIRECTORY 1978–1987

*SRDS = Standard Rate and Data Service. An organization that prints a Rate and Data book covering over 20,000 mailing lists.

The SRDS Mailing List Selection: The Decision Making Process information was collected through personal interviews among 108 companies, of which 73 were mailers and 35 were brokers.

ISSUE	BUSINESS	CONSUMER	FARM	CO-OP	TOTAL
JAN. '78	4371	3193	80	206	7850
JAN. '79	4608	3541	82	263	8494
JAN. '80	4446	3776	93	317	8632
JAN. '81	4310	3853	93	389	8645
JAN. '82	4258	4029	100	415	8802
JAN. '83	4409	4386	102	437	9334
JAN. '84	4345	4280	97	361	9083
JAN. '85	4282	4671	96	397	9446
JAN. '86	4247	4969	102	445	9763
JAN. '87	4360	5123	100	509	10092
JAN. '88	4308	5686	96	470	10560

	COMPILER	BROKER	MANAGER	TOTAL
JAN. '78	39	108	71	218
JAN. '79	41	121	81	243
JAN. '80	40	131	89	260
JAN. '81	41	133	92	266
JAN. '82	39	140	100	279
JAN. '83	41	146	105	292
JAN. '84	37	177	123	337
JAN. '85	37	208	130	375
JAN. '86	36	250	144	430
JAN. '87	31	303	155	489
JAN. '88	33	349	187	569

Source: Standard Rate and Data Service, Publisher of Direct Mail List Rates and Data, 1988

CUSTOMER LIST USAGE STRATEGIES

The DMA Marketing Council, Management Survey of Current Direct Marketing Practices and Trends was conducted by mail in August 1986 among 4,550 companies. Among the 1,001 responding companies, 640 were DMA users and 361 were DMA Service Companies, providing a 22% response rate.

	CURRENT STRATEGY		FUTURE STRATEGY	
STRATEGY	FREQUENTLY	SOMETIMES	MORE	SAME
CROSS-SELLING DM PRODUCT LINES	41%	24%	61%	17%
CROSS-SELLING ACROSS DM TO RETAIL	11%	16%	30%*	36%
UPGRADING SALES	42%	31%	71%	12%
RE-SELLING CUSTOMERS	64%	19%	71%	12%

*RETAILERS = 45%

Source: DMA Research Department, 1987

DMA MAILING LIST USAGE REPORT 1985–1986

The latest List Usage Survey, conducted by DMA's List Council in the Spring of 1987, confirms the continued growth and strength of direct marketing as reflected in list usage. Increases are strong across all business categories. The following statistics highlight and compare the findings of the 1986 and 1987 List Usage studies, reporting 1985 and 1986 statistics. Please note that all number values, are percentages, except those indicated as the base of respondents (N).

CRITERIA		ALL COMPANIES		CONSUMER CATALOG PRODUCTS		BUSINESS CATALOG PRODUCTS		CONSUMER PUBLICATIONS		BUSINESS PUBLICATIONS	
N = BASE OF RESPONDENTS		%85	%86	%85	%86	%85	%86	%85	%86	%85	%86
# OF PIECES MAILED	N =	378	399	143	162	63	69	34	24	29	33
UNDER 3MM		47	46	48	49	59	55	29	33	66	46
3–10MM		27	26	25	24	22	23	35	46	14	30
11–20MM		9	10	10	9	2	6	18	13	14	12
OVER 20MM		16	17	17	17	18	15	18	8	7	9
NO ANSWER		1	2	1	1	—	1	—	—	—	3
AVERAGE*		7.8MM	9.5MM	8.0MM	9.2MM	6.9MM	8.4MM	9.4MM	8.4MM	6.4MM	7.9MM
# OF PIECES MAILED	N =	378	399	143	162	63	69	34	24	29	33
INCREASED		71	68	71	69	79	68	62	50	79	67
DECREASED		13	13	15	14	3	10	18	25	7	15
UNCHANGED		15	20	13	17	18	22	21	21	14	18
NO ANSWER		1	1	2	1	—	—	—	4	—	—
OUTSIDE NAME USAGE	N =	378	399	143	162	63	69	34	24	29	33
INCREASED		59	54	57	59	71	57	59	46	62	52
DECREASED		18	13	21	17	11	9	18	21	14	9
UNCHANGED		21	31	20	23	16	33	24	33	24	39
NO ANSWER		2	2	3	1	2	1	—	—	—	—
HOUSE FILE USAGE	N =	378	399	143	162	63	69	34	24	29	33
INCREASED		67	55	74	64	78	52	47	38	68	42
DECREASED		10	7	11	5	3	9	15	8	3	18
UNCHANGED		21	37	13	30	18	39	35	54	31	36
NO ANSWER		2	2	2	1	2	—	3	—	—	3
UP-FRONT RESPONSE	N =	378	399	143	162	63	69	34	24	29	33
INCREASED		56	44	57	44	56	46	47	63	38	33
DECREASED		23	18	20	18	11	15	41	21	21	21
UNCHANGED		22	35	20	33	29	38	9	17	31	42
NO ANSWER		5	3	4	5	5	1	3	—	10	3

*Please note that the averages for the 1986 figures were computed based on *individual* company percent changes. The 1985 averages were based on data grouped within the 5–10%, 11–20% etc ranges. Therefore, in some areas, it appears that there is a wide variance in the averages between 1985 and 1986— However, because of the change in computation these numbers are no longer comparable.

update

DMA MAILING LIST USAGE REPORT 1985–1986

CRITERIA		CLUBS/ CONTINUITIES		NON-PROFIT/ FUNDRAISING		FINANCIAL SERV. INSURANCE		ALL OTHER*	EDUCATIONAL*
N = BASE OF RESPONDENTS		%85	%86	%85	%86	%85	%86	%85	%86
# PIECES MAILED	N =	13	10	25	21	58	62	13	11
UNDER 3MM		23	20	24	19	48	42	54	64
3–10MM		46	30	40	19	31	27	15	18
11–20MM		8	10	16	24	5	10	15	9
OVER 20MM		23	10	20	10	16	3	—	—
NO ANSWER		—	30	—	29	—	15	15	9
AVERAGE		9.5MM	15.7MM	9.8MM	16.5MM	7.4MM	10.0MM	5.9MM	7.2MM
# PIECES MAILED	N =	13	10	25	21	58	62	13	11
INCREASED		62	60	68	48	74	73	39	82
DECREASED		8	20	20	19	12	10	46	—
UNCHANGED		31	20	12	33	12	18	15	18
NO ANSWER		—	—	—	—	2	—	—	—
OUTSIDE NAME USAGE	N =	13	10	25	21	58	62	13	11
INCREASED		62	60	44	38	59	52	54	36
DECREASED		8	10	24	14	17	11	15	—
UNCHANGED		31	30	28	43	21	34	31	64
NO ANSWER		—	—	4	5	3	3	—	—
HOUSE FILE USAGE	N =	13	10	25	21	58	62	13	11
INCREASED		62	40	60	57	59	44	54	82
DECREASED		8	—	12	10	12	7	23	—
UNCHANGED		23	50	28	29	24	47	23	18
NO ANSWER		8	10	—	5	5	3	—	—
UP-FRONT RESPONSE	N =	13	10	25	21	58	62	13	11
INCREASED		62	40	56	33	48	45	46	55
DECREASED		31	50	24	33	24	13	15	—
UNCHANGED		—	10	12	29	22	39	31	46
NO ANSWER		8	—	8	5	5	3	8	—

*In the 1985 survey, the majority of companies in the "all other" section listed themselves in "education". In the 1986 survey, an "education" classification was created and the "all other" cell was too small to include.

Source: DMA List Council

DMA MAILING LIST USAGE REPORT 1985–1986 cont'd.

CRITERIA		**ALL**		**CONSUMER CATALOG PRODUCTS**		**BUSINESS CATALOG PRODUCTS**		**CONSUMER PUBLICATIONS**		**BUSINESS PUBLICATIONS**	
N = BASE OF RESPONDENTS		%85	%86	%85	%86	%85	%86	%85	%86	%85	%86
BACK END PERFORMANCE	N =	378	399	143	162	63	69	34	24	29	33
INCREASED		41	36	43	35	44	49	35	38	35	21
DECREASED		15	13	15	13	14	6	15	25	17	24
UNCHANGED		31	43	28	43	30	41	41	38	31	42
NO ANSWER		9	8	13	10	11	4	9	—	17	12
86, 87 MARKET OUTLOOK	N =	378	399	143	162	63	69	34	24	29	33
BETTER THAN PREVIOUS YEAR		73	71	75	77	81	74	56	54	59	61
SAME AS PREVIOUS YEAR		17	15	18	15	13	13	38	29	21	21
WORSE THAN PREVIOUS YEAR		9	13	7	7	5	13	6	17	20	18
86, 87 PIECES MAILED	N =	378	399	143	162	63	69	34	24	29	33
WILL INCREASE		66	67	69	70	71	71	59	50	69	67
WILL DECREASE		12	12	11	14	10	4	21	29	3	6
UNCHANGED		21	20	20	15	19	25	21	21	24	27
LIST TECHNIQUES USED TO	N =	378	399	143	162	63	69	34	24	29	33
IMPROVE UPFRONT & BACKEND RESULTS											
MERGE/PURGE		79	86	80	86	60	76	88	95	72	78
DATABASE MKTG		54	66	48	61	62	70	50	54	59	88
PSYCHOGRAPHIC SEGMENTATION		31	20	29	19	14	7	38	25	24	9
DEMOGRAPHIC SEGMENTATION		62	56	56	48	52	47	65	58	62	48
OUTSIDE CONSULTANTS		41	37	41	38	25	33	56	29	41	27
BAD DEBT PRESCREEN		31	32	29	30	32	32	38	38	28	42
LIST ENHANCEMENT TECHNIQUES		65	—	63	—	59	—	62	—	62	—
REMAILING TO MULTIBUYERS		—	71	—	81	—	66	—	62	—	70
DEMOGRAPHIC SCREENS		—	32	—	28	—	21	—	37	—	21
STATISTICAL ANALYSIS/MODELING/SCORING		—	38	—	35	—	24	—	55	—	33
GEO SEGMENTATION		—	55	—	51	—	43	—	46	—	45
PRIOR MAIL HISTORY ANALYSIS		—	71	—	73	—	62	—	96	—	82
LIST RENTAL AVAILABILITY	N =	378	399	143	162	63	69	34	24	29	33
NOT AVAILABLE		39	41	20	24	52	58	21	13	31	24
RENTAL ONLY		10	12	7	13	16	15	6	13	21	24
EXCHANGE ONLY		5	5	6	7	5	4	9	—	3	3
RENT & EXCHANGE		46	42	67	56	25	23	65	75	41	46
LIST RENTAL INCOME	N =	197	234	100	122	25	29	21	21	17	24
GREATER THAN PREVIOUS YEAR		61	68	64	75	72	50	67	86	59	61
SAME AS PREVIOUS YEAR		24	23	19	20	24	39	10	10	35	26
LESS THAN PREVIOUS YEAR		14	9	17	5	4	12	24	5	6	13
85, 86 RENTAL/EXCHANGE QUANTITY	N =	N/A	234	N/A	122	N/A	29	N/A	21	N/A	24
GREATER THAN PREVIOUS YEAR		—	68	—	75	—	52	—	71	—	67
SAME AS PREVIOUS YEAR		—	21	—	16	—	35	—	24	—	21
LESS THAN PREVIOUS YEAR		—	8	—	7	—	7	—	—	—	13

*Please note that the averages for the 1986 figures were computed based on individual company percent changes. The 1985 averages were based on data grouped within the 5–10%, 11–20% etc. ranges. Therefore, in some areas, it appears that there is a wide variance in the averages between 1985 and 1986. However, because of the change in computation, these numbers are no longer comparable.

Source: DMA List Council

DMA MAILING LIST USAGE REPORT 1985–1986 cont'd.

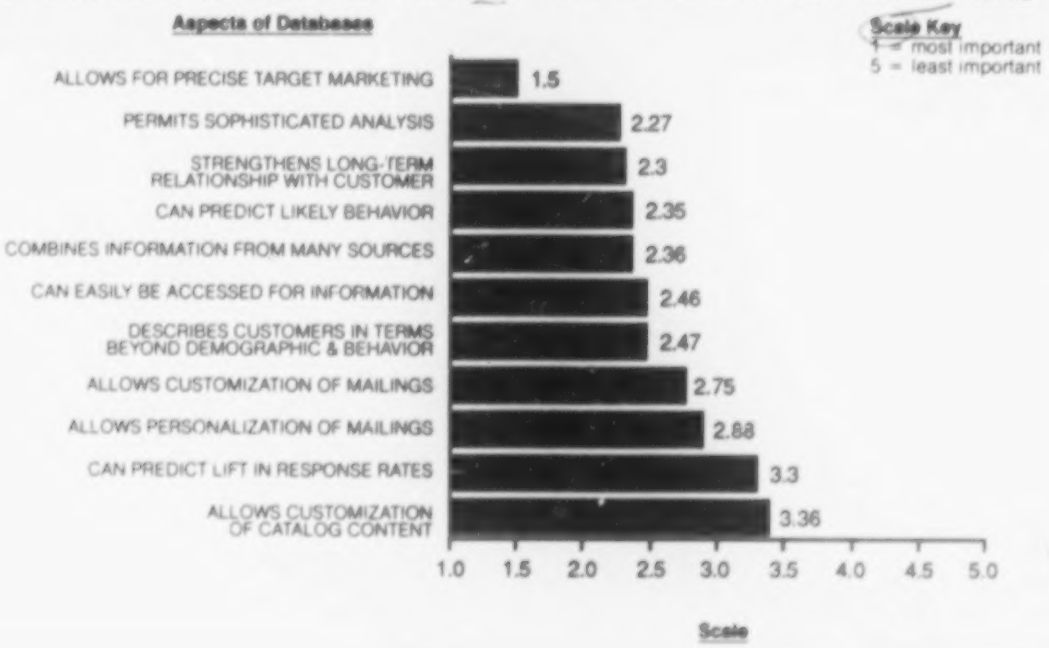
CRITERIA		CLUBS/ CONTINUITIES		NON-PROFIT/ FUNDRAISING		FINANCIAL SERV. INSURANCE		ALL OTHER*	EDUCATIONAL*
N = BASE OF RESPONDENTS		%85	%86	%85	%86	%85	%86	%85	%86
BACK END PERFORMANCE	N =	13	10	25	21	58	62	13	11
INCREASED		31	30	20	29	47	36	39	46
DECREASED		31	30	12	14	9	8	15	9
UNCHANGED		31	40	40	43	29	52	31	36
NO ANSWER		8	—	28	14	16	5	15	9
86, 87 MARKET OUTLOOK	N =	13	10	25	21	58	62	13	11
BETTER THAN PREVIOUS YEAR		77	80	72	72	74	67	69	82
SAME AS PREVIOUS YEAR		8	—	12	10	14	10	8	9
WORSE THAN PREVIOUS YEAR		15	20	16	19	12	19	15	9
86, 87 PIECES MAILED	N =	13	10	25	21	58	62	13	11
WILL INCREASE		69	60	40	57	72	66	39	91
WILL DECREASE		8	20	20	24	10	11	31	—
UNCHANGED		23	20	36	19	17	21	23	9
LIST TECHNIQUES USED TO	N =	13	10	25		58		13	
IMPROVE UPFRONT & BACKEND RESULTS									
MERGE/PURGE		100	100	88	95	88	91	62	81
DATABASE MKTG		54	60	48	19	69	31	23	36
PSYCHOGRAPHIC SEGMENTATION		8	30	44	29	55	40	31	0
DEMOGRAPHIC SEGMENTATION		77	90	64	66	85	78	62	45
OUTSIDE CONSULTANTS		54	50	36	44	53	43	23	27
BAD DEBT PRESCREEN TECHNIQUES		46	70	16	5	38	33	23	9
LIST ENHANCEMENT		54	—	72	—	78	—	62	—
REMAILING TO MULTIBUYERS		—	90	—	86	—	44	—	73
DEMOGRAPHIC SCREENS		—	40	—	44	—	55	—	27
STATISTICAL ANALYSIS/MODEL/SCORING		—	60	—	71	—	45	—	27
GEO. SEGMENTATION		—	40	—	53	—	79	—	64
PRIOR MAIL HISTORY ANALYSIS		—	90	—	76	—	58	—	63
LIST RENTAL AVAILABILITY	N =	13	10	25	21	58	62	13	11
NOT AVAILABLE		15	10	36	33	83	89	69	46
RENTAL ONLY		8	—	20	5	7	2	—	27
EXCHANGE ONLY		—	—	12	19	3	2	—	—
RENT & EXCHANGE		77	90	32	43	7	7	31	27
LIST RENTAL INCOME	N =	10	9	13	14	7	6	4	6
GREATER THAN PREVIOUS YEAR		40	67	54	36	43	50	25	60
SAME AS PREVIOUS YEAR		50	22	39	27	43	50	50	40
LESS THAN PREVIOUS YEAR		10	11	8	36	14	—	25	—
85, 86 RENTAL/EXCHANGE QUANTITY	N =	—	9	—	14	—	6	—	6
GREATER THAN PREVIOUS YEAR		—	67	—	50	—	50	—	50
SAME AS PREVIOUS YEAR		—	22	—	21	—	50	—	33
LESS THAN PREVIOUS YEAR		—	11	—	29	—	—	—	—

*In the 1985 survey, the majority of companies in the "all other" section listed themselves in "education". In the 1986 survey, the "all other" category was deleted and an "education" classification was created.

Source: DMA List Council

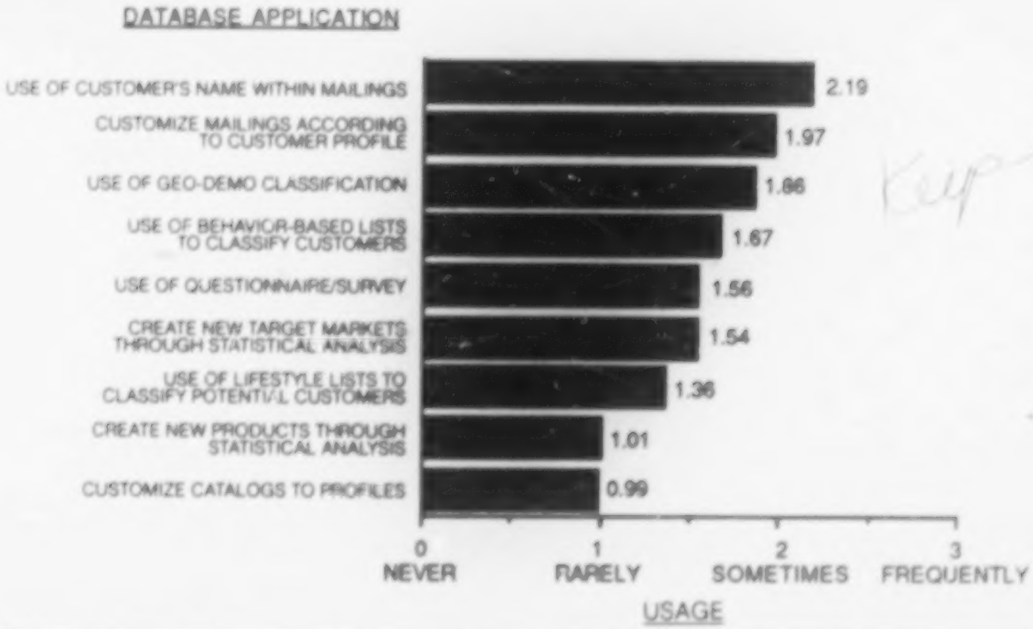
Keep.

THE MOST IMPORTANT ASPECTS OF DATABASES FOR DIRECT MARKETERS



Source: DMA Research Department, 1986

ACTUAL DIRECT MARKETING USE OF DATABASE RANKED FROM NEVER USED TO FREQUENTLY USED



Key

Source: DMA Research Department, 1986

LIST BROKERS' SOURCE OF LIST INFORMATION—GENERAL

List Broker—a business that arranges the rental of mailing lists owned by others

The SRDS "Study of the Mailing List Selection Process" was conducted via personal, in-depth interviews with list brokers and mailers by Ad Chart Services in late 1987. The following are highlights of the study's findings.

	5 VERY USEFUL	4	3	2	1 NOT USEFUL AT ALL	DON'T KNOW
IN-HOUSE FILE OF DATA CARDS	63%	19%	9%	3%	6%	0%
IN-HOUSE COMPUTER SYSTEM	68	16	6	2	3	6
DIRECT CONTACT WITH LIST MANAGERS	52	28	19	2	0	0
DIRECT CONTACT WITH LIST OWNERS	47	13	18	12	6	4
DIRECT CONTACT WITH COMPILERS	29	21	25	13	9	3
DIRECT MAIL SALES PROMOTION	15	27	34	18	3	4
DIRECT CONTACT WITH OTHER BROKERS	18	15	13	21	27	7
TRADE SHOWS	9	22	24	32	9	4

NUMBER OF RESPONDENTS: 68 = 100%

Source: Standard Rate & Data Service, Inc., Compuname and Rodale Press
Study of the Mailing List Selection Process, 1987

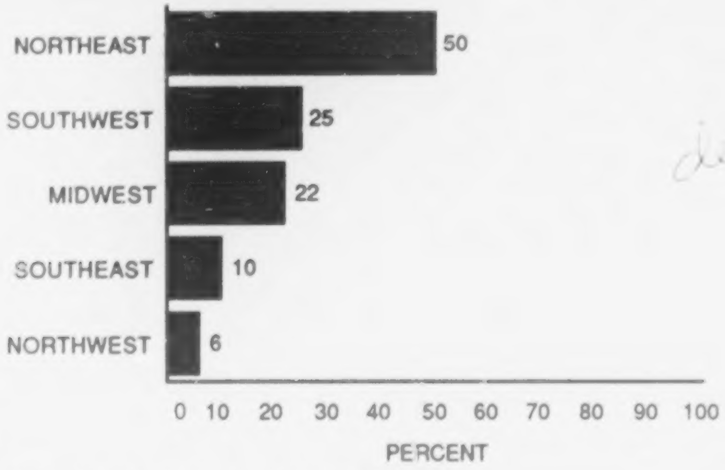
IMPORTANCE OF SPECIFIC LIST CRITERIA TO MAILERS

	5 VERY USEFUL	4	3	2	1 NOT USEFUL AT ALL	(BASE)*
COST PER THOUSAND	75%	15%	5%	5%	1%	(108)
DEMOGRAPHICS/PSYCHOGRAPHICS	61	26	7	4	3	(109)
REPUTATION OF LIST OWNER	26	30	26	10	8	(108)
RECENCY	75	20	4	0	1	(108)
FREQUENCY	63	19	13	4	2	(108)
MONETARY (UNIT SALES, AVERAGE ORDER)	45	32	14	4	5	(108)
DELIVERABILITY GUARANTEE	46	23	16	9	6	(108)
SOURCE OF NAMES	73	21	4	0	2	(108)
STATUS OF NAMES (BUYERS, INQUIRERS, TRIALS)	72	16	8	2	2	(108)
TYPE OF PRODUCT OR SERVICE	68	20	6	3	2	(107)
MAILERS WHO HAVE SUCCESSFULLY USED THE LIST IN THE PAST	44	23	23	7	3	(108)
TYPE OF OFFER (SWEEPSTAKES, PREMIUM, TRIAL, ETC.)	50	24	17	4	6	(108)

*Base represents the number of respondants answering.

Source: Standard Rate & Data Service, Inc., Compuname and Rodale Press
Study of the Mailing List Selection Process, 1987

LIST SERVICES BY GEOGRAPHIC LOCATION



delete

Note—#'s don't add up to 100 because of companies' presence in more than one state

Source: DMA Research Department

NUMBER OF MAILING LISTS TESTED IN LAST 12 MONTHS (AMONG MAILERS)

NUMBER OF MAILING LISTS	PERCENTAGE
NONE	5%
1–5	11
11–20	12
21–30	16
31–50	30
51–100	16
101–250	6
MORE THAN 250	2
OTHER	1
DON'T KNOW	1
NUMBER OF RESPONDENTS: 109 = 100%	

Keep

Source: Standard Rate and Data Service, Inc., Compuname and Rodale Press
Mailing List Selection: The Decision-Making Process, November 1987

BROKER/MAILER RELATIONSHIP— % OF LISTS RENTED THROUGH A BROKER

check #

Percent	Percentage
0	5%
1–20	5
21–40	6
41–60	13
61–80	18
81–100	50
Other	1
Don't Know	2
NUMBER OF RESPONDENTS: 109 = 100%	

Source Standard Rate & Data Service, Inc., Compuname and Rodale Press Study of the Mailing List Selection Process, 1987

A MAILER'S NEED FOR LIST INFORMATION DIFFERS FROM THE BROKER'S NEED

These criteria are the ones most often mentioned as being extremely or very important to mailers:

Recency of Names	95%
Source of Names	94%
Cost Per Thousand	90%
Status of Names	88%
Type of Product or Service	88%

Identified as the most important criteria to mailing list brokers are:

Status of Names	96%
Source of Names	93%
Recency of Names	93%
Type of Product or Service	91%
Monetary Factors	90%

Source Standard Rate and Data Service, Inc., Compuname and Rodale Press, 1987 Media List Selection: The Decision-Making Process, November 1984

LIST SERVICES BY TYPE OF ORGANIZATION, EMPLOYEE SIZE & MONTHLY ORDER VOLUME (1985 STATISTICS)

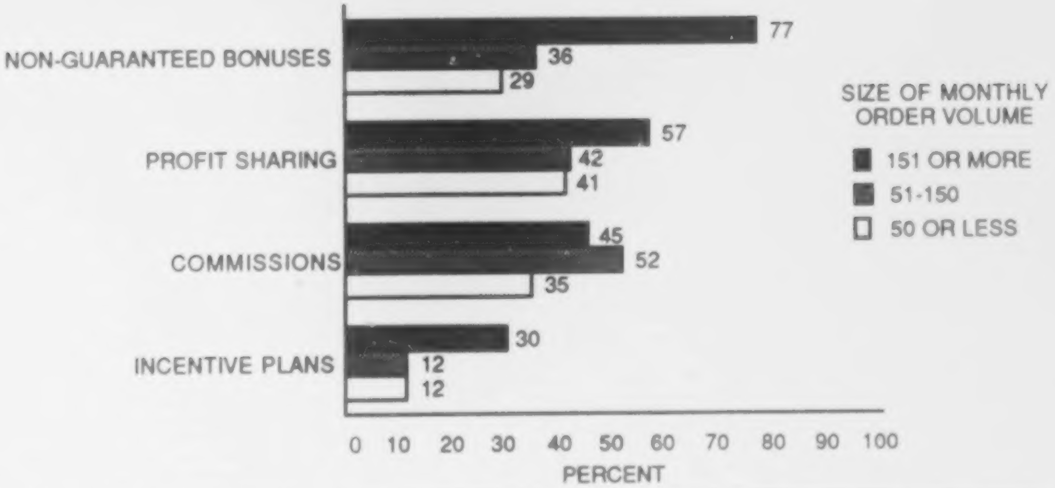
The DMA List Leaders Group, List Industry Compensation Study was conducted by mail in November 1986 among 693 List Firms. The study, which also includes a List Industry Job Description Report, had 153 Firms responding, a 22% response rate.

		EMPLOYEE SIZE			MONTHLY ORDER VOLUME		
TYPE OF ORGANIZATION	TOTAL	3 OR LESS	4–10	11 OR MORE	50 OR LESS	51–150	151 OR MORE
N = Base # Respondents	n = 125	n = 37	n = 43	N = 43	N = 34	N = 33	N = 53
LIST BROKERAGE	47%	54%	72%	47%	53%	67%	53%
LIST MANAGEMENT	57%	76%	70%	65%	68%	67%	72%
IN-HOUSE	24%	41%	30%	21%	35%	36%	23%
OUTSIDE	13%	19%	14%	16%	15%	12%	21%
UNSPECIFIED	19%	16%	26%	28%	18%	18%	28%
LIST COMPILATION	19%	15%	18%	37%	15%	21%	30%
SERVICE BUREAU	20%	—	23%	47%	15%	18%	34%
IN-HOUSE	7%	—	7%	16%	3%	3%	13%
OUTSIDE	6%	—	2%	19%	3%	6%	11%
UNSPECIFIED	7%	—	14%	12%	9%	9%	9%
NONE	18%	—	—	—	—		

Source: DMA Research Department

delete

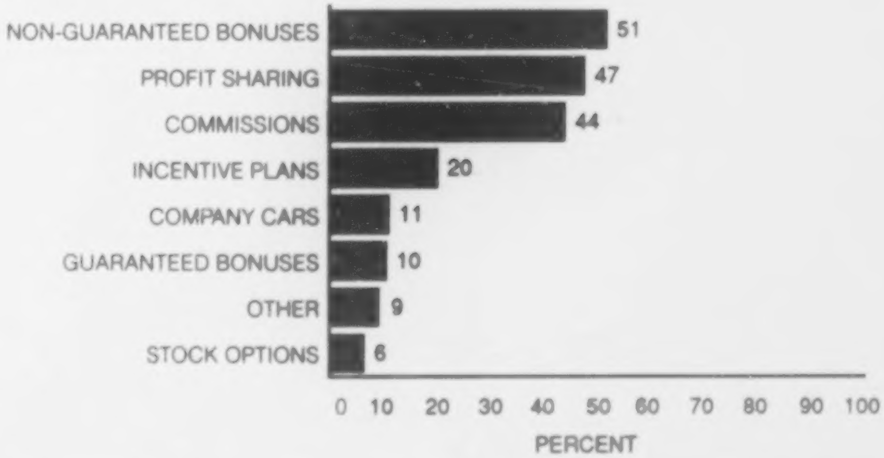
EMPLOYEE BENEFITS OFFERED BY LIST SERVICES BY MONTHLY AMOUNT OF ORDERS



Source: DMA Research Department, 1986

delete

EMPLOYEE BENEFITS OFFERED BY LIST SERVICE COMPANIES
(TOTAL SAMPLE)



Source: DMA Research Department, 1986

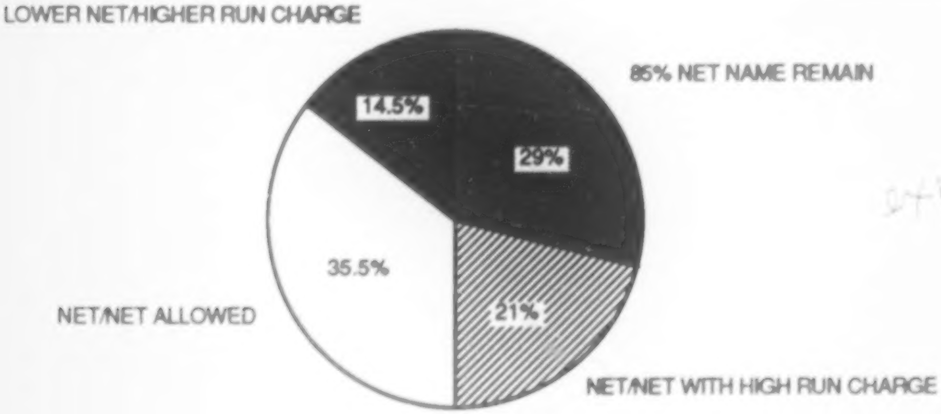
delete

SURVEY OF LIST PRACTICES

Donnelley Marketing conducted its "Second Annual Survey of List Practices" for 1988 among 1,200 industry professionals and 200 DMA list council members. The survey was conducted by mail and approximately 107 completed responses were attained from the samples.

VIEWS ABOUT NET NAME ARRANGEMENTS

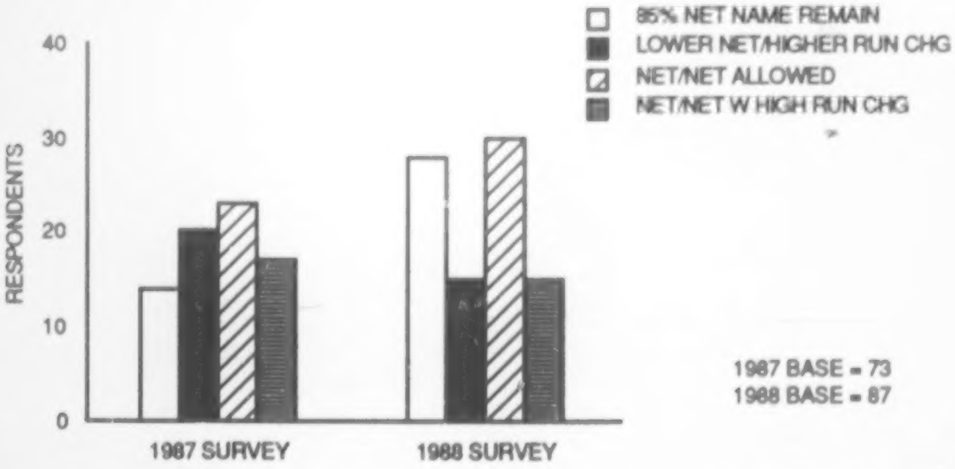
Net name arrangements are the most discussed topic in the list industry. A net name arrangement is an agreement whereby the list owner agrees to accept adjusted payment for less than the total names shipped to the list user.



explanation

1988 SURVEY

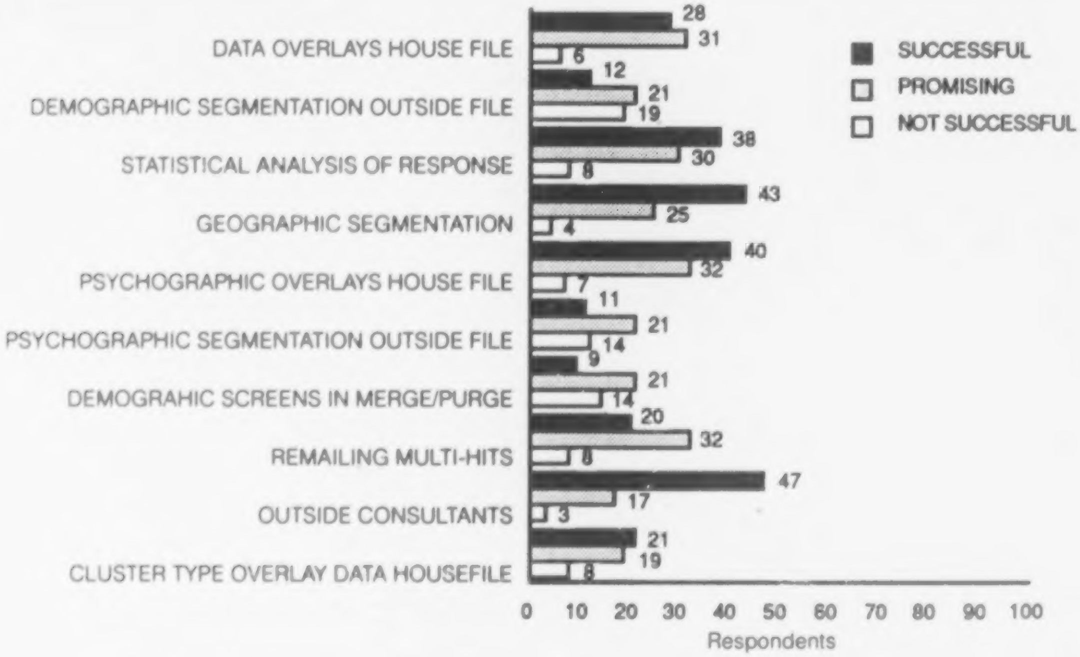
IDEAL SOLUTIONS CONCERNING NET NAME ARRANGEMENTS
(1987 COMPARED TO 1988)



Source: Donnelley Marketing, 1988

RESPONSE IMPROVEMENT TECHNIQUES

Indicate those response improvement techniques you have used and indicate their effectiveness.

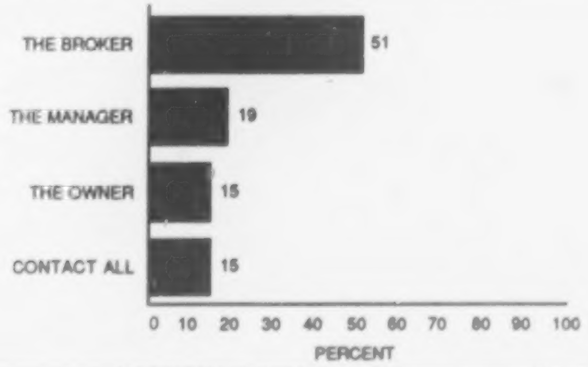


Percent using improvement techniques and rank of each's effectiveness.

Source: Donnelly Marketing Survey of List Practices, 1988

WHO'S RESPONSIBLE IN CASES OF MAILING LIST MISUSE

Whom should the service bureau contact, if the mailer does anything with a list, other than that which was contractually agreed to?

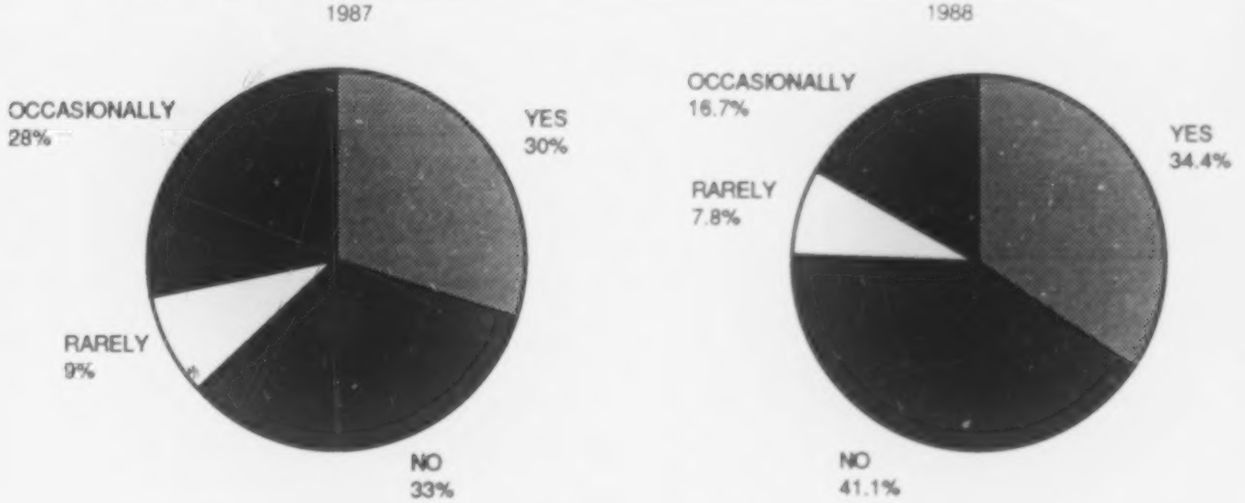


Source: Donnelley Marketing, Survey of List Practices, 1986

House lists

RENTING TO COMPETITORS

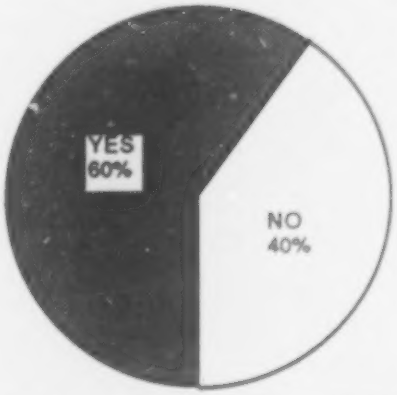
Would you rent to a competitor?



Source: DMA Research Department, 1988

REMAILING TO MULTI-HITS

If the 85% net name is maintained, can multi-hits be remailed at no cost?



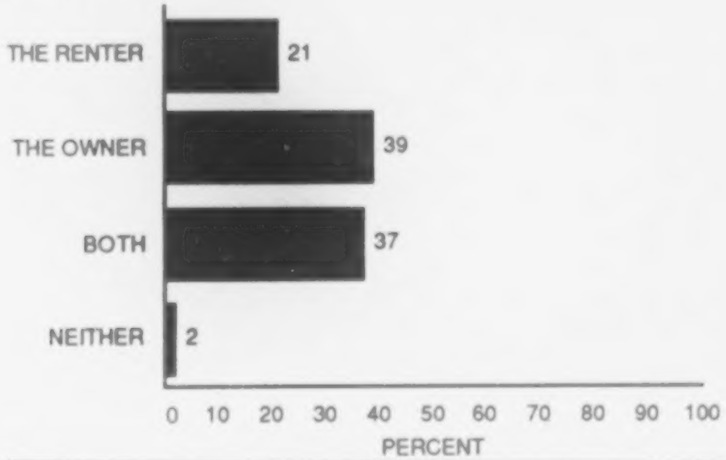
delete

Source: Donnelly Marketing Survey of List Practices, 1988

OWNERSHIP OF NCOA PROCESSED ADDRESSES

NCOA = National Change of Address

If a rented list is run through the USPS' National Change of Address System, to whom do the new addresses belong?

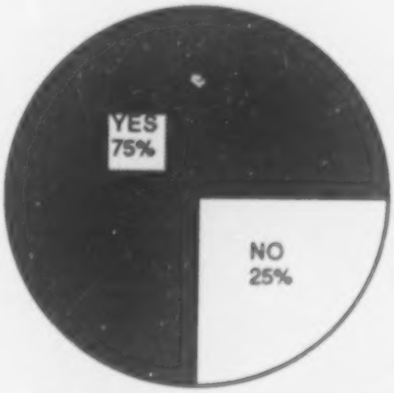


keep

Source: Donnelley Marketing, Survey of List Practices, 1988

INCIDENCE OF CHECKING ALL SAMPLE MAILING PIECES

Does anyone in your organization have the responsibility of carefully checking all sample mailing pieces?



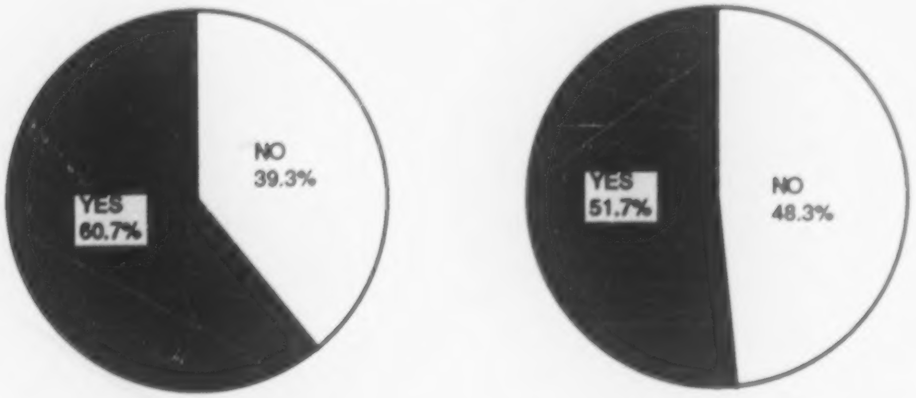
delete

Source: Donnelley Marketing, Survey of List Practices, 1988

USE OF CREDIT BUREAU EXTRACT FILES (1987 & 1988)

what is extract file

Do you feel credit bureau extract files are a legitimate use of credit information?



1987 SURVEY

1988 SURVEY

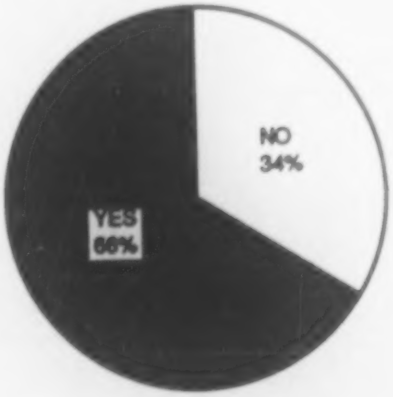
Base = 89

Source: Donnelley Marketing's 2nd Annual Survey of List Practices

EQUITY OF CURRENT COMPUTER PROCESSING COSTS

In light of the actual decrease in the cost of computer processing, are current computer costs equitable?

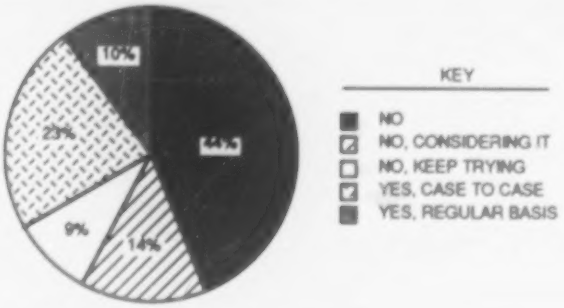
delete



Source: Donnelley Marketing, Survey of List Practices, 1986

HAVE YOU SUCCESSFULLY NEGOTIATED NET-NAME ARRANGEMENTS?

The Catalog Age Report on marketing, outside list usage, and analysis of fulfillment practices was conducted via a comprehensive survey in July among Catalog Age subscribers. Of the 429 respondents, a little over 60% consist of consumer catalog companies, over 15% are business-to-business marketers, and nearly 20% market to both consumers and businesses. The survey covers every aspect of the catalog business including creative/production, merchandising, marketing, list usage, database enhancements, fulfillment, strategic planning, and financial.

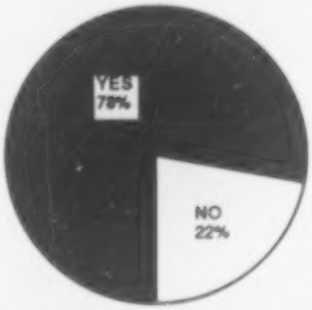


net name
section

Source: Catalog Age, February 1988

SELECTION CHARGES AND COMMISSIONS

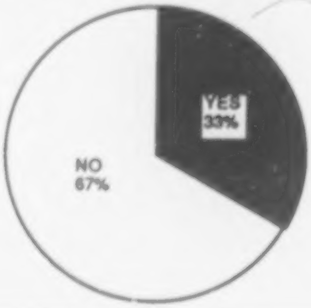
Should selection charges be commissionable?



no pie chart

EFFECTIVENESS OF AN INDUSTRY-WIDE DECOY SYSTEM

Do you think an industry-wide decoy system could be effective?



no pie chart

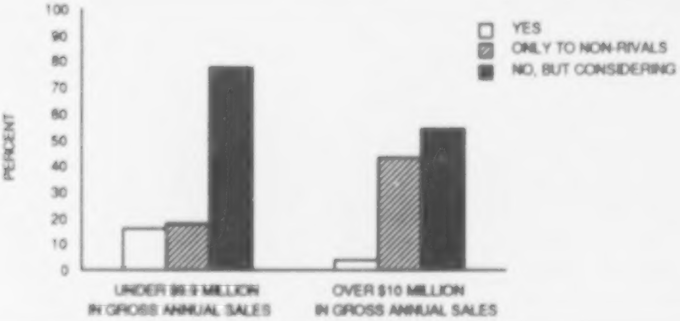
Source: Donnelley Marketing, Survey of List Practices, 1988

DO YOU RENT YOUR HOUSE FILE?
(BUSINESS-TO-BUSINESS CATALOGS)

– rent to competitors w/chart on 145

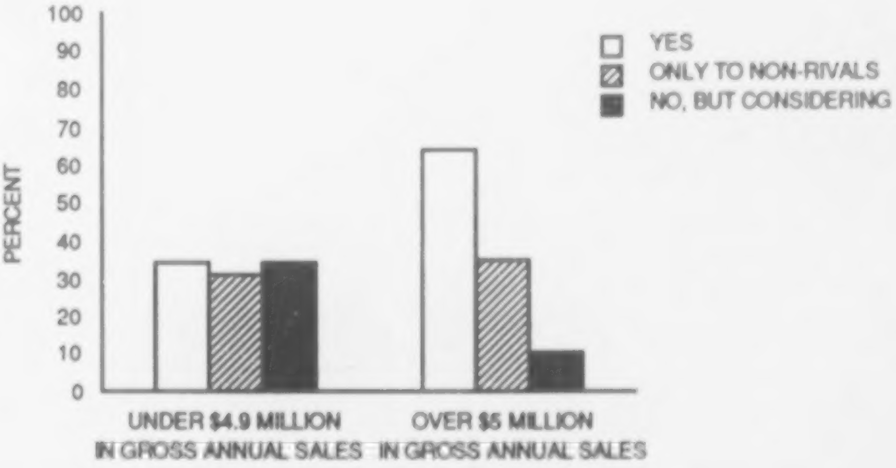
The Catalog Age Report on marketing, outside list usage, and analysis of fulfillment practices was conducted by comprehensive survey in July among Catalog Age subscribers. Of the 429 respondents, a little over 60% consist of consumer catalog companies, over 15% are business-to-business marketers, and nearly 20% market to both consumers and businesses. The survey covers every aspect of the catalog business including creative/production, merchandising, marketing, list usage, database enhancements, fulfillment, strategic planning, and financial.

Business catalogers over $10 million are far more secure about renting their house lists than their smaller counterparts, with 42.9% of that group saying they would rent lists to non-competitors. Only 3.6% indicate they would rent to direct competitors.



Source: "Reprinted with permission from *Catalog Age Magazine* Copyright Dec. 1987."

DO YOU RENT YOUR HOUSE FILE?
(CONSUMER CATALOGS)



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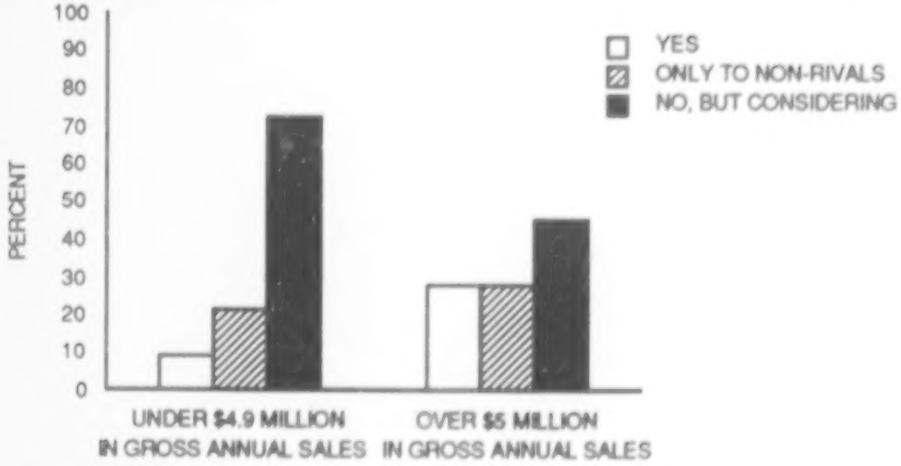
DO YOU RENT YOUR HOUSE FILE?
(CONSUMER/BUSINESS CATALOGS)

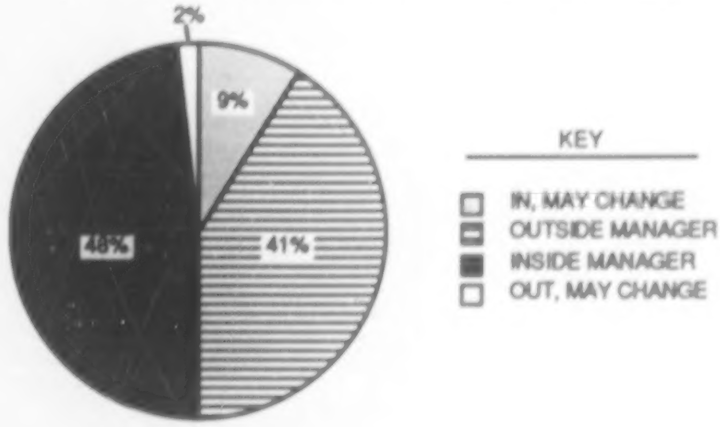
Most small consumer/business catalogers, like their small, strictly business counterparts, do not rent their house files. Of consumer/business catalogs under $4.9 million, 72.5% do not rent house lists. Of consumer/business catalogs over $5 million, however, roughly 28% each rent their files either to non-competitive offers or to competitive and non-competitive offers.



Source: "Reprinted with permission from *Catalog Age Magazine* Copyright Dec. 1987."

WHO MANAGES YOUR LIST?

The Catalog Age Report on marketing, outside list usage, and analysis of fulfillment practices was conducted via a comprehensive survey in July among Catalog Age subscribers. Of the 429 respondents, a little over 60% consist of consumer catalog companies, over 15% are business-to-business marketers, and nearly 20% market to both consumers and businesses. The survey covers every aspect of the catalog business including creative/production, merchandising, marketing, list usage, database enhancements, fulfillment, strategic planning, and financial



TOTAL RESPONDENTS

Source: Catalog Age, December 1987

DIRECT MARKETER'S ATTITUDES ABOUT INDUSTRY GROWTH/ MAJOR ISSUES NOW AND FOR DIRECT MARKETING IN THE FUTURE

Net Name Arrangement—an agreement between list owner and list user in which the list owner agrees to accept payment for only names mailed rather than the total names shipped, plus a small running charge for names provided but not mailed. Typically a minimum is set (85% is frequently used).

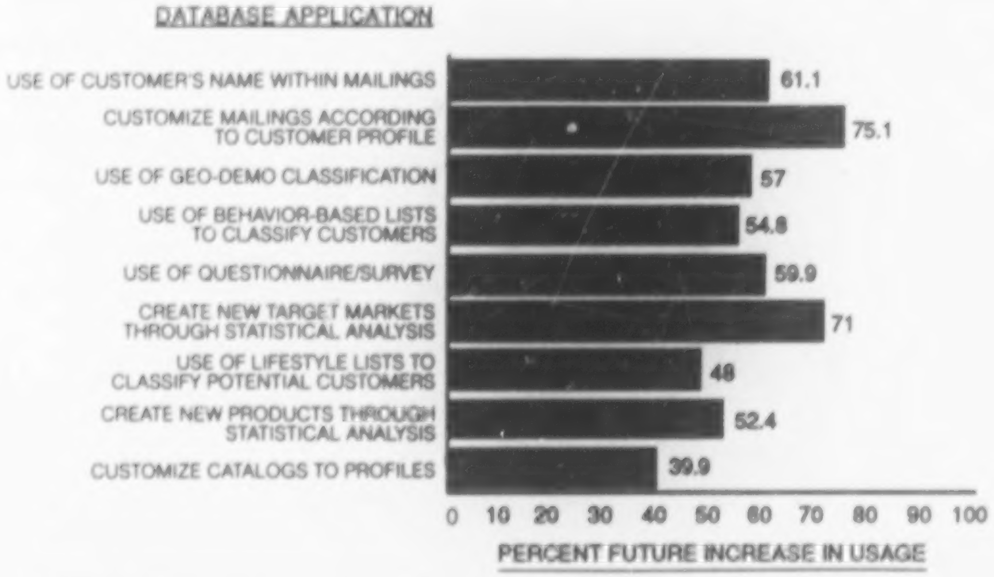
	% BELIEVE MAJOR COMPANY PROBLEM	% BELIEVE INCREASING INDUSTRY PROBLEM	
ISSUE		DM USER	DM SERVICE CO.
1) FINDING NEW LISTS	48%	74%	69%
2) DECREASING RESPONSE FROM LISTS	42%	71%	65%
3) COST OF NEW CUSTOMER NAMES	41%	71%	65%
4) INCREASING NUMBER OF NEW MAIL ORDER CUSTOMERS	40%	61%	50%
5) COST OF NEW LISTS	34%	67%	61%
6) DUPLICATE NAMES NEW VS. HOUSE LIST	27%	71%	58%
7) 85% NET NAME RULE	21%	47%	45%
8) WILLINGNESS TO RENT NAMES	12%	41%	38%

Source: DMA Research Department, 1987

List usage

EXPECTATIONS OF FUTURE INCREASES IN DATABASE USAGE BY DIRECT MARKETERS

Sophisticated understanding of databases is not matched by actual usage. Future usage seems to be taking better advantage of our understanding.



Source: DMA Research Department, Marketing Council, 1986

Keep

MARKETS

- CONSUMER DEMOGRAPHICS
- BUSINESS-TO-BUSINESS
- FINANCIAL SERVICES/GENERAL
- FINANCIAL SERVICES/INSURANCE
- FINANCIAL SERVICES/BANKS
- FINANCIAL SERVICES/CREDIT CARDS
- FINANCIAL SERVICES/INVESTMENT SERVICES
- CIRCULATION
- CONTINUITY CLUBS
- NON-PROFIT
- EDUCATION
- NEW MARKETS

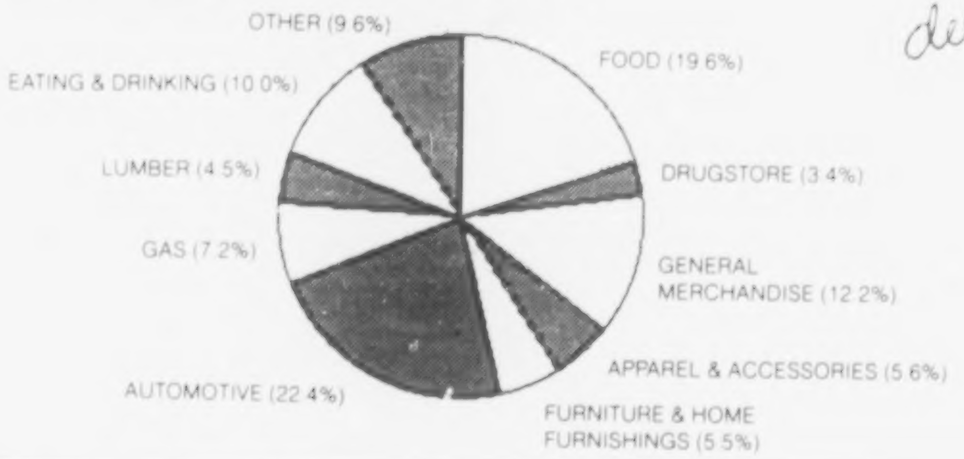
• CONSUMER DEMOGRAPHICS

TRENDS

PROJECTIONS

TOTAL RETAIL SALES BY PRODUCT CATEGORY

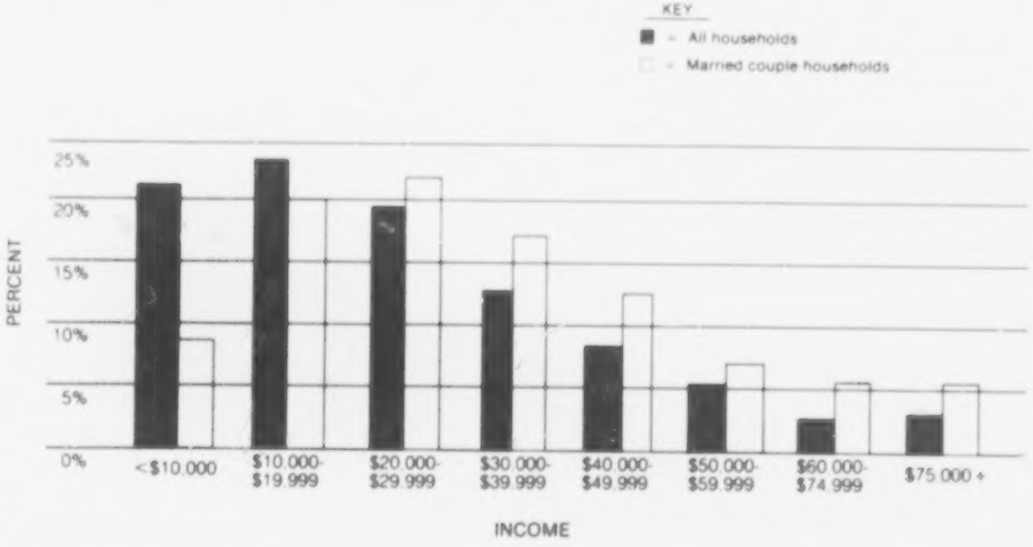
delete



Source: Marketing Economics Institute, 1986

update

DISTRIBUTION OF HOUSEHOLDS, BY 1984 INCOME



Source: American Demographics, January 1986

update

HISPANIC POPULATION, BY AGE AND SEX: 1980 AND 1986

in thousands, except percent, 1980, as of April; 1986 as of March.

Item	Total all years	Under 5 years	5–9 years	10–14 years	15–19 years	20–24 years	25–29 years	30–34 years	35–39 years	40–44 years	45–49 years	50–54 years	55–59 years	60–64 years	65 years and over
1980 Total	14,609	1663	1,537	1,475	1,606	1,586	1,376	1,129	854	712	622	564	454	321	709
Males	7,280	848	783	747	827	819	697	558	416	345	300	270	217	147	305
Females	7,329	815	754	728	780	767	679	570	438	367	321	294	237	174	404
1986 Total	18,091	1,967	1,815	1,712	1,636	1,932	1,882	1,594	1,278	932	803	651	517	459	915
Male	9,035	1,003	903	896	801	1,034	947	846	637	442	377	315	221	222	389
Female	9,057	964	912	816	836	897	935	748	641	488	428	334	295	237	526
PERCENT DISTRIBUTION															
1980 Total	100.0	11.4	10.5	10.1	11.0	10.9	9.4	7.7	5.8	4.9	4.3	3.9	3.1	2.2	4.9
Male	100.0	11.6	10.8	10.3	11.4	11.3	9.6	7.7	5.7	4.7	4.1	3.7	3.0	2.0	4.2
Female	100.0	11.1	10.3	9.9	10.6	10.5	9.3	7.8	6.0	5.0	4.4	4.0	3.2	2.4	5.5
1986 Total	100.0	10.9	10.0	9.5	9.0	10.7	10.4	8.8	7.1	5.2	4.4	3.6	2.9	2.5	5.1
Male	100.0	11.1	10.0	9.9	8.9	11.4	10.5	9.4	7.1	4.9	4.2	3.5	2.4	2.5	4.3
Female	100.0	10.6	10.1	9.0	9.2	9.9	10.3	8.3	7.1	5.4	4.7	3.7	3.3	2.6	5.8

Source: U.S. Bureau of the Census, 1980 Census of Population, vol. 1 chapter B

senior market

PERSONS 65 YEARS OLD AND OVER

AGE GROUP	1960	1970	1980	1986
Persons 65 years and over	16.7	20.1	25.7	29.2
Percent of all ages	9.2	9.8	11.3	12.1
65–69 years	6.3	7.0	8.8	9.7
70–74 years	4.8	5.5	6.8	7.7
75–79 years	3.1	3.9	4.8	5.6
84–84 years	1.6	2.3	3.0	3.4
85 years and over	9	1.4	2.3	2.8

Source: U.S. Bureau of the Census, Current Population Reports

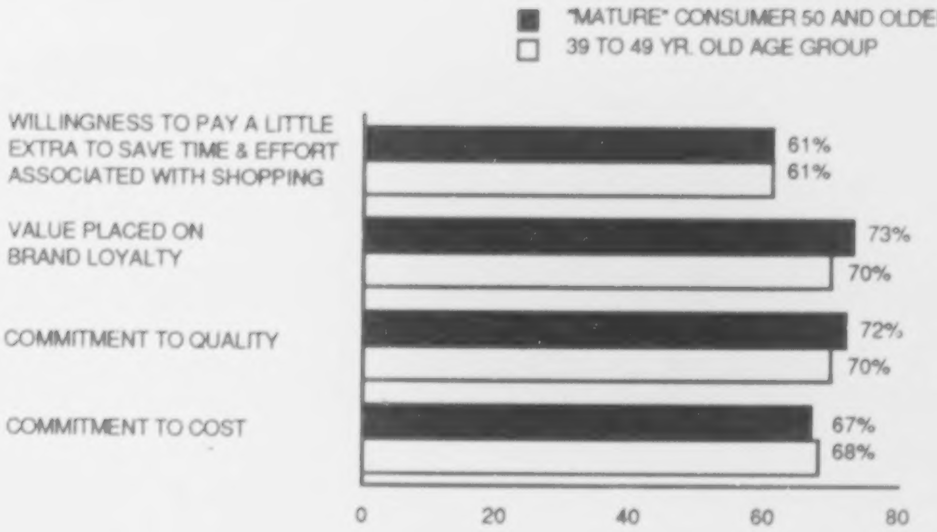
year

OLDSTERS A HEALTHY MARKET

The Daniel Yankelovich Group—on behalf of Modern Maturity conducted a study by telephone interview in March among 1,299 consumers ages 50 and older

year

The mature consumer is willing and able to indulge themselves. Older consumers are becoming more oriented toward self-fulfillment. The Yankelovich Study compares mature consumers to their closest cohorts—the 30-to-49 year-old age group and finds their similarities more notable than their differences



Source: Modern Maturity—Daniel Yankelovich Group

year

DISPOSABLE PERSONAL INCOME
DISPOSABLE PERSONAL INCOME PER CAPITA IN CURRENT DOLLARS

Disposable income—that which is available for consumption after taxes are deducted

REGION	DISPOSABLE INCOME 1985	1986
New England	13,506	14,575
Middle Atlantic	13,024	13,918
East North Central	11,776	12,468
West North Central	11,366	12,163
South Atlantic	11,287	11,939
East South Central	9,206	9,722
West South Central	10,908	10,913
Mountain	10,943	11,360
Pacific	13,351	14,058
U.S. Total	11,876	12,521

Source: U.S. Bureau of Economic Analysis, Survey of Current Business, August issues, and unpublished data

STATES RANKED BY LARGEST NUMBER AND INCREASE IN HOUSEHOLDS: 1980–86

(NUMBERS IN THOUSANDS)

delete

RANK	STATE	NUMBER OF HOUSEHOLDS, 1986	STATE	NUMERICAL INCREASE IN HOUSEHOLDS, 1980–86	STATE	PERCENT INCREASE IN HOUSEHOLDS, 1980–86
1	California	9,842	California	1,212	Alaska	36.2
2	New York	6,672	Texas	987	Arizona	26.3
3	Texas	5,916	Florida	891	Nevada	25.1
4	Florida	4,636	New York	331	Florida	23.8
5	Pennsylvania	4,411	Georgia	328	Texas	20.0
6	Illinois	4,237	North Carolina	296	New Mexico	18.4
7	Ohio	3,998	Virginia	259	Georgia	17.5
8	Michigan	3,315	Arizona	252	New Hampshire	17.1
9	New Jersey	2,776	New Jersey	228	Colorado	16.8
10	North Carolina	2,340	Illinois	191	Utah	14.6

Source: U.S. Bureau of the Census

delete

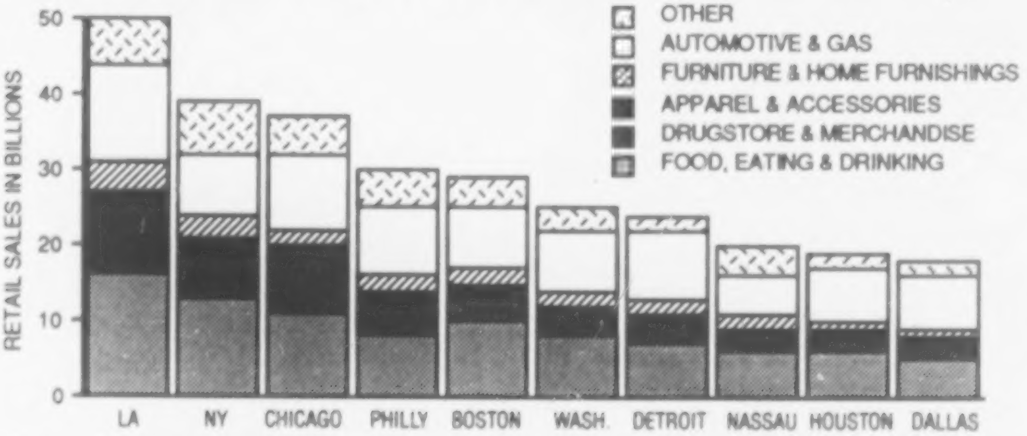
STATES RANKED BY LARGEST PERCENT INCREASE IN POPULATION 1980–86

RANK	STATE	PERCENT INCREASE	NET MIGRATION PERCENT
1	Alaska	32.8	+17.6
2	Arizona	22.1	+14.9
3	Nevada	20.3	+14.1
4	Florida	19.8	+17.5
5	Texas	17.3	+9.4
6	California	14.0	+7.5
7	Utah	14.0	+0.7
8	New Mexico	13.5	+4.9
9	Colorado	13.1	+5.7
10	Georgia	11.7	+6.5

Source: U.S. Bureau of the Census, Current Population Reports

TOP 10 RETAIL SALES MARKETS BY CATEGORY

update



Source: Marketing Economics Institute, 1986.

update

TOP 10 MARKETS IN 1985 BY RETAIL SALES

RANK	MARKET	TOTAL SALES	'85–'82 % CHNG	EATING/ DRINKING	DRUGS/ MDSE	APPAREL/ ACCESS.	FURNITURE	AUTO/ GAS	OTHER
1.	LOS ANGELES–LONG BEACH	$49,883	26.3	$15,168	$7,694	$2,718	$3,122	$14,531	$6,650
2.	NEW YORK	37,741	30.0	12,592	5,653	3,588	2,676	6,143	7,089
3.	CHICAGO	36,500	24.0	10,227	6,166	2,756	2,051	9,761	5,538
4.	PHILADELPHIA, PA–NJ	28,060	31.8	6,953	4,390	1,666	1,351	7,989	5,710
5.	BOSTON	26,341	31.9	7,581	3,790	1,711	1,334	7,193	4,732
6.	WASHINGTON, DC–MD–VA	24,461	37.2	7,144	3,973	1,452	1,500	7,416	2,976
7.	DETROIT	24,041	22.6	6,748	3,969	1,489	1,251	7,920	2,664
8.	NASSAU-SUFFOLK, NY	19,893	24.8	5,703	2,743	1,266	1,298	4,886	3,997
9.	HOUSTON	19,679	3.3	5,635	2,777	1,129	1,053	6,676	2,409
10.	DALLAS	18,452	52.4	5,070	2,502	1,044	1,041	6,417	2,376

NOTE: Dollars in millions.

Source: Marketing Economics Institute, 1986

POPULATION AND UNEMPLOYMENT BY REGION

delete

REGION	POPULATION		LABOR FORCE		UNEMPLOYED		UNEMPLOYMENT RATE	
	1986	1987	1986	1987	1986	1987	1986	1987
NEW ENGLAND	9,871	9,971	6,717	6,829	263	228	3.9	3.3
MIDDLE ATLANTIC	28,895	29,047	17,935	18,096	1,108	892	6.2	4.9
EAST NORTH CENTRAL	31,317	31,597	20,463	20,766	1,626	1,487	7.9	7.2
WEST NORTH CENTRAL	13,020	13,209	8,878	9,060	517	499	5.8	5.5
SOUTH ATLANTIC	30,981	31,539	20,035	20,636	1,145	1,058	5.7	5.1
EAST SOUTH CENTRAL	11,290	11,372	7,036	7,066	663	566	9.4	8.0
WEST SOUTH CENTRAL	19,367	19,411	12,811	12,877	1,212	1,136	9.5	8.8
MOUNTAIN	9,390	9,537	6,371	6,423	472	463	7.4	7.2
PACIFIC	26,536	27,123	17,635	18,152	1,237	1,094	7.0	6.0
U.S. TOTAL	180,587	182,753	117,834	119,865	8,237	7,425	7.0	6.2

NOTE: Numbers in thousands.

Source: U.S. Department of Labor, Bureau of Labor Statistics, 1988.

POPULATION BY AGE, 1985 TO 2000
(IN THOUSANDS)

Keep update

	1985	1990	1995	2000	PERCENT CHANGE 1985-2000
ALL AGES	238 631	249 657	259 559	267 955	12 3%
UNDER 15	51 861	54 582	56 724	55 903	7 8
15 TO 24	39 717	35 548	34 110	36 088	-9 1
25 TO 34	41 788	43 529	40 520	36 415	-12 9
35 TO 44	32 004	37 847	41 997	43 743	36 7
45 TO 54	22 464	25 402	31 397	37 119	65 2
55 TO 64	22 188	21 051	20 923	23 767	7 1
65 AND OLDER	28 609	31 697	33 888	34 921	22 1

Source: American Demographics, January 1986

HOUSEHOLDS: A LOOK AT THE FUTURE GROWTH

delete

NONFAMILY HOUSEHOLDS SHOULD CONTINUE TO GROW FASTER THAN FAMILY HOUSEHOLDS BETWEEN 1985 AND 2000.

(HOUSEHOLDS BY TYPE: 1985 TO 2000)	1985*		1990		1995		2000		CHANGE 1985 TO 2000	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
ALL HOUSEHOLDS *(IN THOUSANDS)*	86,789	100.0%	94,227	100.0%	100,308	100.0%	105,933	100.0%	19,144	22.1%
FAMILY HOUSEHOLDS	62,706	72.3	66,758	70.8	69,787	69.6	72,277	68.2	9,571	15.3
MARRIED COUPLES	50,350	58.0	53,012	56.3	54,863	54.7	56,294	53.1	5,944	11.8
OTHER FAMILIES	12,357	14.2	13,746	14.6	14,924	14.9	15,983	15.1	3,626	29.3
FEMALE HOUSEHOLDER	10,129	11.7	11,165	11.8	11,984	11.9	12,701	12.0	2,572	25.4
MALE HOUSEHOLDER	2,228	2.6	2,581	2.7	2,940	2.9	3,282	3.1	1,054	47.3
NONFAMILY HOUSEHOLDS	24,082	27.7	27,469	29.2	30,520	30.4	33,656	31.8	9,574	39.8
FEMALE HOUSEHOLDER	13,968	16.1	15,523	16.5	16,854	16.8	18,204	17.2	4,236	30.3
MALE HOUSEHOLDER	10,114	11.7	11,946	12.7	13,666	13.6	15,452	14.6	5,338	52.8

HOUSEHOLDS HEADED BY 45-TO-54-YEAR-OLDS ARE EXPECTED TO GROW BY 71 PERCENT BETWEEN 1985 AND 2000.

(HOUSEHOLDS BY AGE: 1985 TO 2000)	1985*		1990		1995		2000		CHANGE 1985 TO 2000	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
ALL HOUSEHOLDERS *(IN THOUSANDS)*	86,789	100.0%	94,227	100.0%	100,308	100.0%	105,933	100.0%	19,144	21.1%
UNDER 25	5,438	6.3	4,663	4.9	4,316	4.3	4,442	4.2	-996	-18.3
25 TO 29	9,637	11.1	9,663	10.3	8,427	8.4	7,801	7.4	-1,836	-19.1
30 TO 34	10,377	12.0	11,520	12.2	11,500	11.5	10,203	9.6	-174	-1.7
35 TO 44	17,481	20.1	21,245	22.5	23,916	23.8	25,339	23.9	7,858	45.0
45 TO 54	12,628	14.6	14,429	15.3	18,035	18.0	21,603	20.4	8,975	71.1
55 TO 64	13,073	15.1	12,311	13.1	12,233	12.2	13,903	13.1	830	6.3
65 TO 74	10,851	12.5	11,672	12.4	12,006	12.0	11,516	10.9	665	6.1
75 AND OVER	7,305	8.4	8,724	9.3	9,876	9.8	11,126	10.5	3,821	52.3

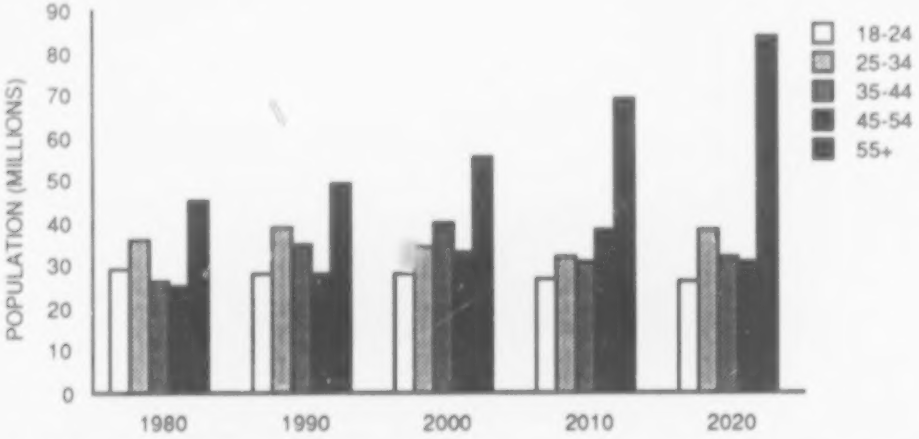
*Estimate from March 1985 Current Population Survey

Source: American Demographics, October 1986

GROWTH OF 55+ GROUP TO OUTSTRIP ALL OTHERS

Keep

By the year 2020, the 55 and over market—today's baby boomers—is expected to command nearly a 30 percent share of the total U.S. population.

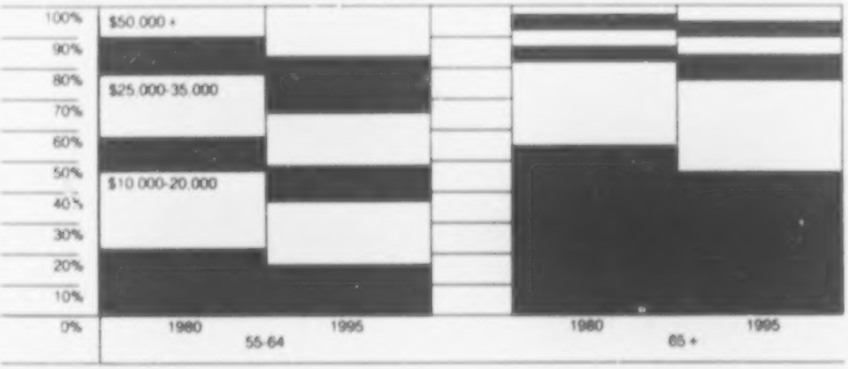


Source: Folio Magazine, March 1987. U.S. Census Bureau figures.

Keep

INCOMES OF THE MATURE MARKET

INCOMES WILL RISE FOR ALL MATURE HOUSEHOLDS BETWEEN 1980 AND 1995

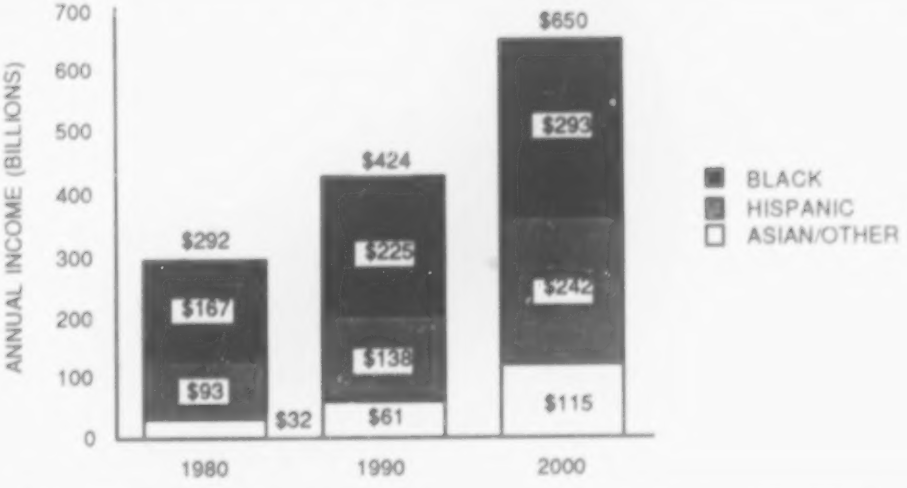


Source: American Demographics, March 1985

A CHANGING MARKETPLACE

Keep

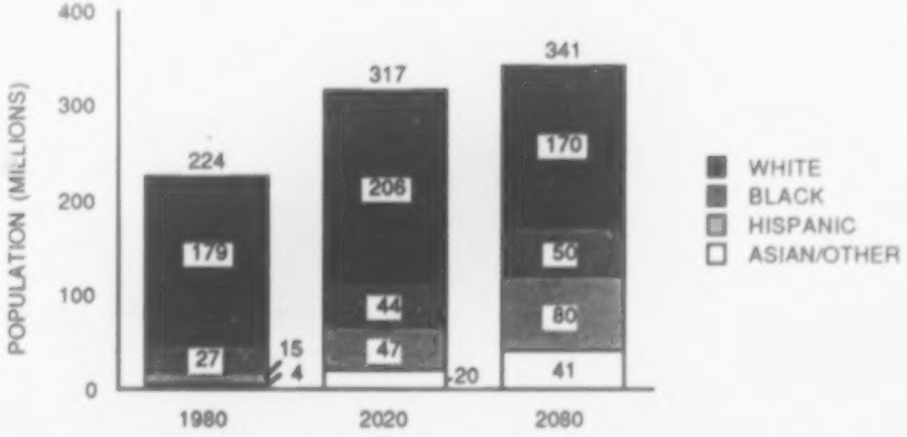
The Inc. Magazine Inc. Publishing Corporation compiled these estimates based on 1980 population figures from the Population Reference Bureau, in Washington D.C. and per capita income figures from the Bureau of Census in 1985 dollars. Projections assume a rate of illegal immigration of 500,000 per year.



Source: Inc. Magazine Inc. Publishing Corporation, July 1987

Keep

A CHANGING POPULATION



Sometime in the next century, blacks, asians and hispanics will outnumber whites.

Source: Inc. Magazine Inc. Publishing Corporation, July 1987

U.S. RESIDENT POPULATION, BY REGION AND DIVISION, 1960 TO 1986 AND PROJECTIONS, 1990 TO 2000

Update

Region and Division	Population (millions)							Percent Distribution						
	1960	1970	1980	1986	1990	1995	2000	1960	1970	1980	1986	1990	1995	2000
United States	179.3	203.3	226.5	241.1	249.9	259.6	267.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Northeast	44.7	49.1	49.1	50.0	50.6	51.3	51.8	24.9	24.1	21.7	20.7	20.2	19.8	19.4
New England	10.5	11.8	12.3	12.7	13.1	13.5	13.8	5.9	5.8	5.5	5.3	5.2	5.2	5.1
Middle Atlantic	34.2	37.2	36.8	37.3	37.5	37.8	38.0	19.1	18.3	16.2	15.5	15.0	14.6	14.2
Midwest	51.6	56.6	58.9	59.3	59.8	59.9	59.6	28.8	27.8	26.0	24.6	23.9	23.1	22.3
East North Central	36.2	40.3	41.7	41.7	42.1	42.0	41.7	20.2	19.8	18.4	17.3	16.8	16.2	15.6
West North Central	15.4	16.3	17.2	17.6	17.7	17.8	17.9	8.6	8.0	7.6	7.3	7.1	6.9	6.7
South	55.0	62.8	75.4	83.0	87.3	92.4	96.9	30.7	30.9	33.3	34.4	34.9	35.6	36.2
South Atlantic	26.0	30.7	37.0	40.9	43.7	47.1	50.0	14.5	15.1	16.3	17.0	17.5	18.1	18.7
East South Central	12.1	12.8	14.7	15.2	15.6	16.0	16.3	6.7	6.3	6.5	6.3	6.2	6.2	6.1
West South Central	17.0	19.3	23.7	26.9	27.9	29.3	30.6	9.5	9.5	10.5	11.1	11.2	11.3	11.4
West	28.1	34.8	43.2	48.8	52.3	56.1	59.4	15.6	17.1	19.1	20.2	20.9	21.6	22.2
Mountain	6.9	8.3	11.4	13.0	14.0	15.1	16.0	3.8	4.1	5.0	5.4	5.6	5.8	6.0
Pacific	21.2	26.5	31.8	35.7	38.3	41.0	43.4	11.8	13.1	14.0	14.8	15.3	15.8	16.2

Source: Bureau of Labor Statistics

• BUSINESS-TO-BUSINESS

BUYING HABITS

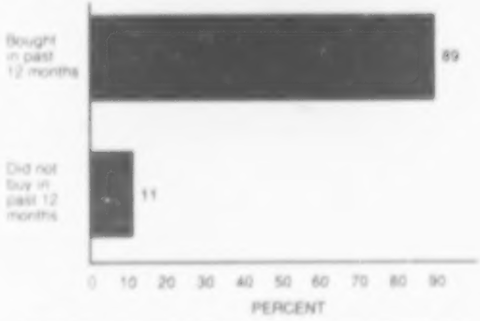
COSTS

TRENDS

PROJECTIONS

PERCENT OF EXECUTIVES WHO BOUGHT A BUSINESS RELATED PRODUCT OR SERVICE THAT WAS BROUGHT TO THEIR ATTENTION BY DIRECT RESPONSE ADVERTISING IN THE LAST 12 MONTHS

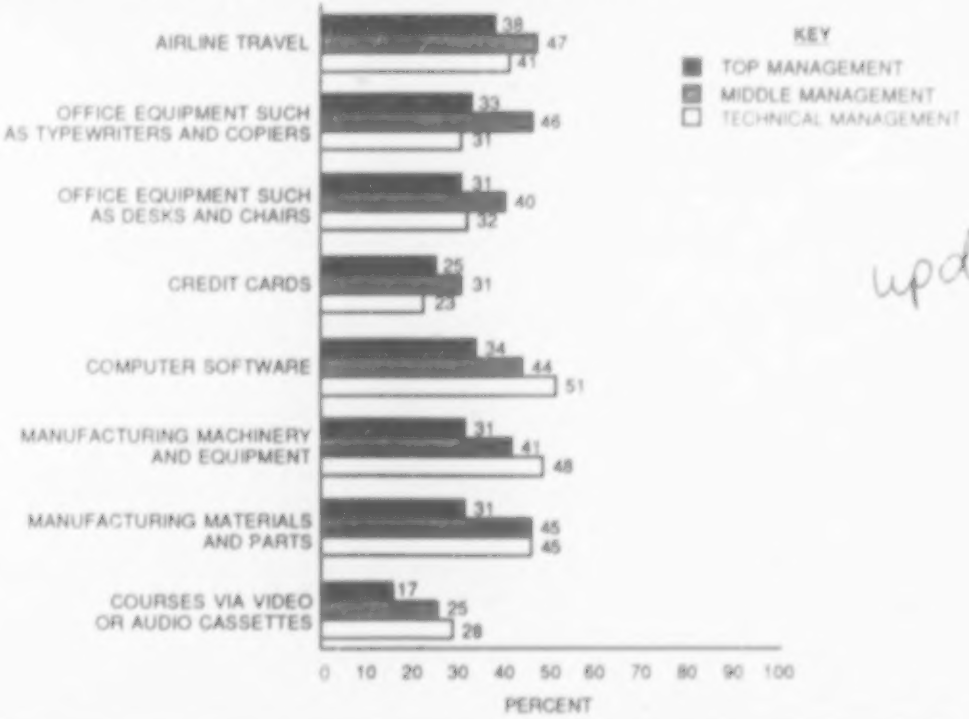
The O&M Direct, Study of Behavior and Attitudes of Executives in regard to Business-to-Business Direct Response was conducted by Telephone Interviews among 500 Executives in October 1985



update

Source: Ogilvy & Mather Direct, There's No Business Like Business To Business, 1985.

BUSINESS RELATED PRODUCTS BOUGHT VIA DIRECT RESPONSE OR RESPONDED TO AN OFFER BY LEVEL OF MANAGEMENT IN THE PAST 12 MONTHS



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Source: Ogilvy & Mather Direct, There's No Business Like Business To Business, 1985.

MEDIAN AMOUNT SPENT ON PRODUCTS AND SERVICES MARKETED THROUGH DIRECT RESPONSE MEDIA

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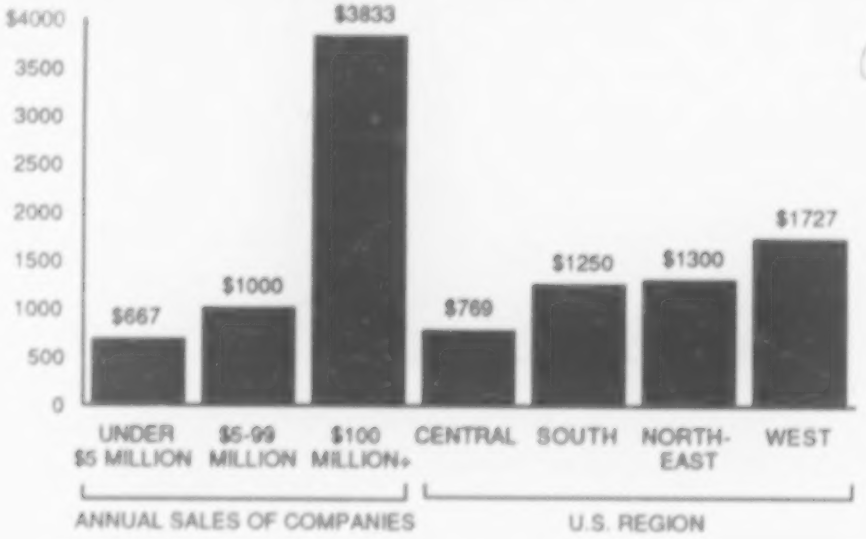
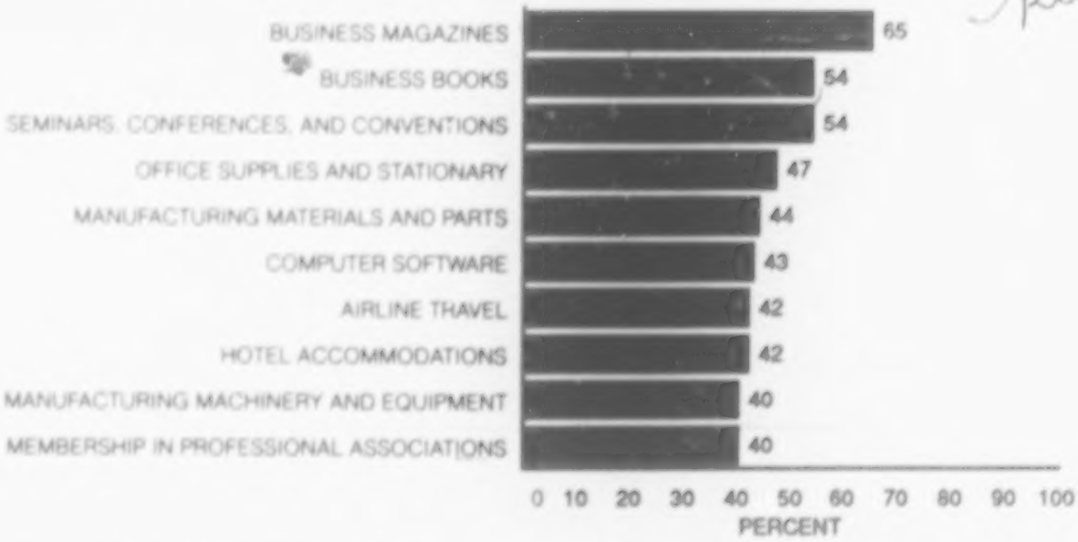


Source: Ogilvy & Mather Direct, There's No Business Like Business To Business, 1985

TOP 10 BUSINESS PRODUCTS BOUGHT VIA DIRECT RESPONSE OR RESPONDED TO AN OFFER FOR INFORMATION, A DEMONSTRATION OR A VISIT FROM A SALES REPRESENTATIVE

Keep

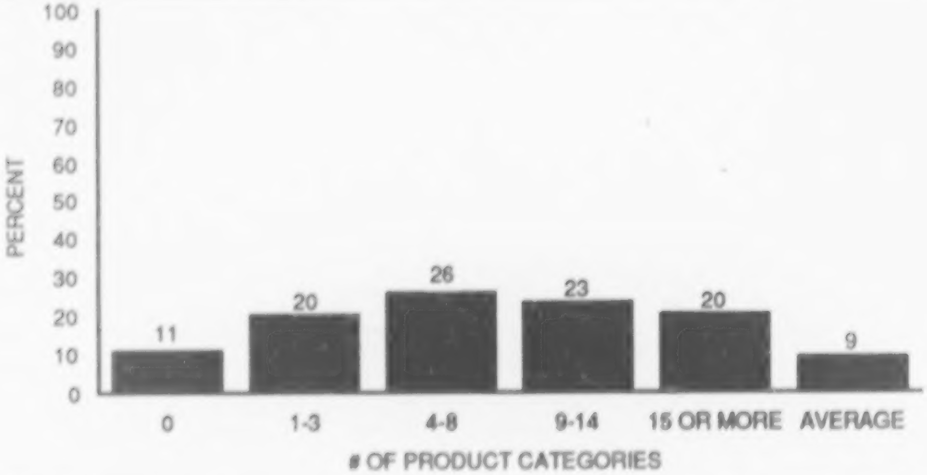


Source: Ogilvy & Mather Direct, There's No Business Like Business-To-Business, 1985

NUMBER OF PRODUCT CATEGORIES BOUGHT VIA DIRECT RESPONSE IN THE PAST 12 MONTHS

delete

The average executive bought nine different types of business related products and services that were brought to his attention by direct response advertising.

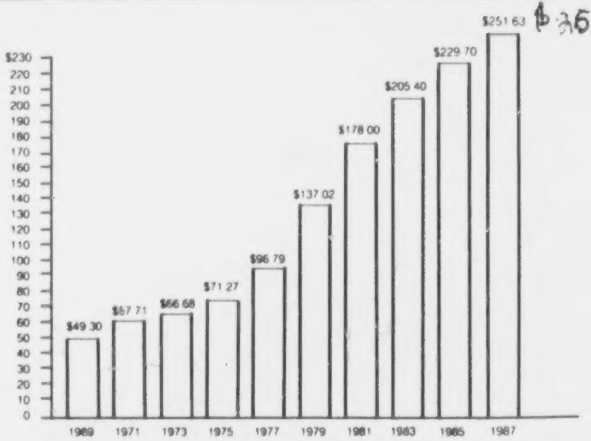


Source: Ogilvy & Mather Direct. There's No Business Like Business-To-Business. 1985

COST OF AN INDUSTRIAL SALES CALL (1969-1987)

The McGraw-Hill Research "1987 Cost of a Business-to-Business Sales Call" Survey was conducted by mail questionnaire and telephone interviews in 1988 among 1,531 vice presidents of sales and sales managers in business-to-business companies from the Business Marketing subscriber list. A 55% response rate was achieved.

The cost of a face-to-face sales call on a business-to-business company rose to $251.63 in 1987, more than five times the 1969 cost of $49.30.



$353. in 89

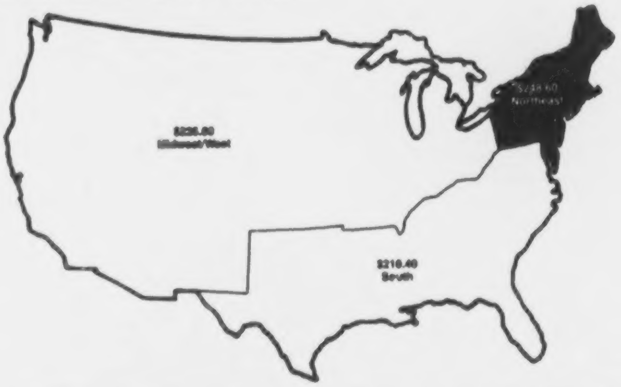
upda

Source: McGraw-Hill Research 1988

BUSINESS-TO-BUSINESS SALES CALL COSTS VARY AMONG U.S. GEOGRAPHIC REGIONS

Personal selling costs differ by regions, ranging from a low of $210.40 in the South to a high of $248.60 in the Northeast. This McGraw-Hill Research study identifies average sales call costs by U.S. regions as shown in the table below.

Personal Selling Costs by U.S. Geographic Regions



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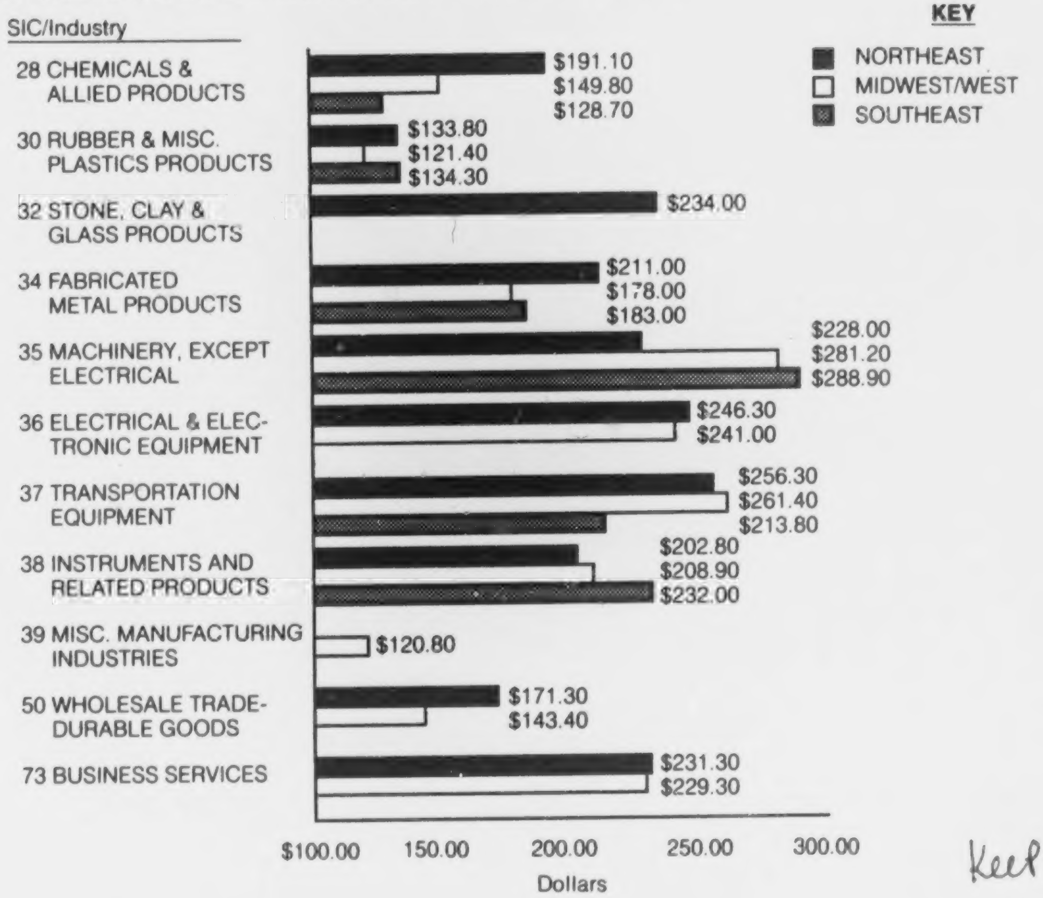
Source: McGraw-Hill Research 1985

COST OF A SALES CALL BY INDUSTRY AND REGIONS

Keep

update



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BUSINESS SALES CALL COSTS RISE AT A SLOWER RATE

The 9.5% rise in face to face selling costs between 1985 and 1987 represents the second lowest two-year percentage increase since 1965. The slightest increase, 6.9%, occurred between 1973 and 1975.

YEAR	COST OF SALES CALL (AVERAGE)	PERCENTAGE INCREASE IN SELLING COSTS OVER TWO YEAR PERIOD
1965	$ 35.55	13.5%
1967	42.92	20.7%
1969	49.30	14.9%
1971	57.71	17.1%
1973	66.68	15.5%
1975	71.27	6.9%
1977	96.79	35.8%
1979	137.02	41.6%
1981	178.00	29.9%
1983	205.40	15.4%
1985	229.70	11.8%
1987	251.63	9.5%

Source McGraw Hill Research, 1987

COST OF A SALES CALL IN EUROPEAN COUNTRIES

The cost of a sales call in Europe has reached $640, according to a McGraw-Hill Research Study of 699 sales executives across 10 European countries. Selling costs ranged from $128.18 in Ireland to $1,439.62 in Denmark.

The McGraw-Hill Cost of a Sales Call study was conducted by mail in 1987 among 1,462 sales executives in industrial companies across 10 European countries from a subscriber list of McGraw-Hill's International Management magazine. Also a non-respondent mailing was done to increase response rates. A 50% response rate was achieved.

COUNTRIES	NUMBER OF COMPANIES REPORTING	LOCAL CURRENCY	VALUE IN LOCAL COUNTRIES' CURRENCY	U.S. DOLLARS
BELGIUM	66	BELGIAN FRANCS	27,765.50	$ 687.11
DENMARK	26	DANISH KRONE	10,567.12	1,439.62
FRANCE	72	FRENCH FRANCS	4,957.54	771.57
GERMANY	136	DEUTCSHE MARK	1,314.76	677.70
IRELAND	11	IRISH POUNDS/PUNT	91.55	128.18
ITALY	79	ITALIAN LIRE	1,093,060.25	809.20
NETHERLANDS	56	DUTCH FLORIN/GUILDER	1,181.86	539.50
SWEDEN	62	SWEDISH KRONA	4,816.39	710.32
SWITZERLAND	73	SWISS FRANCS	922.95	568.62
UNITED KINGDOM	118	POUND STERLING	204.03	303.82
TOTAL EUROPE	699			640.13

Source: McGraw-Hill Publications Company

SIZE OF INDIVIDUAL INDUSTRY MARKET BY MAJOR INDUSTRY GROUPS AND SIC CODE (ESIC & SOI)

delete.

The following Table breaks down 21 major industry divisions by the number of total U.S. establishments reported by individual authoratative government and private sector sources. The industry divisions are based on lines-of-business categories within the Government's "Standard Industrial Classification" code. The basic SIC code classification unit is the "establishment"—defined by the U.S. Census as "an economic unit, generally at a single physical location, where business is conducted or where services are performed such as a farm, factory, store or hotel, etc. The Enterprise Standard Industrial Classification (ESIC) code system is used by Census in its retabulation of its five year Census of business data, which is based on establishment statistics, into enterprise or company statistics. The Statistics of Income (SOI) code system is used by the Internal Revenue Service to classify and report business tax return information.

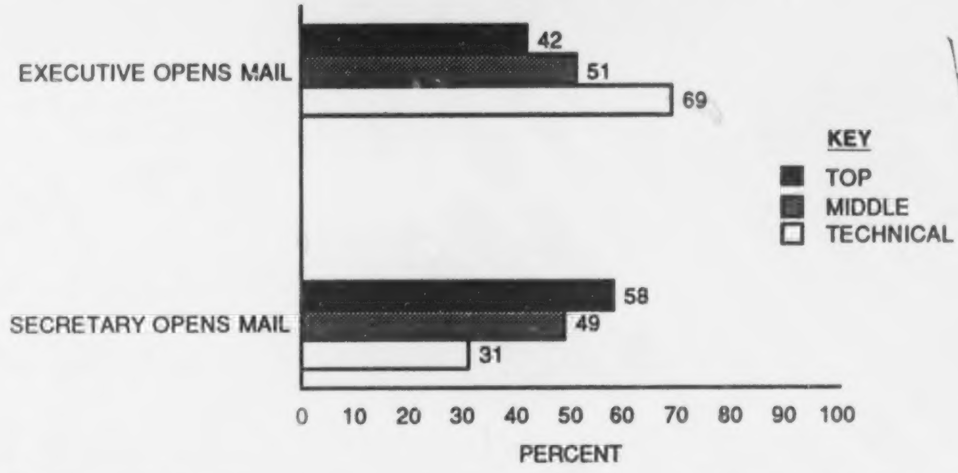
(Number of U.S. Establishments)

	SICs	'84 BUREAU OF LABOR STATISTICS	'83 COUNTY BUSINESS PATTERNS*	'82 CENSUS OF BUSINESS	'82 CENSUS ENTERPRISE (ESIC)	'83 IRS/SOI	'85 DUN'S CENSUS OF BUSINESS	'86 DUN'S NAT'L BUSINESS LISTS**	'86 ED BURNETT CONSUL-TANTS, INC.	'86 AMERICAN BUSINESS LISTS, INC.
AGR./FOREST/ FISHERY	01–09	115,778	61,591	†	867,715	532,231	201,534	P: 156,495 T: 254,889	115,250	†
MINING	10–14	43,465	35,221	73,005	43,366	216,159	56,028	P: 45,704 T: 66,360	48,610	59,987
CONSTRUCTION	15–19	520,373	458,267	1,389,309	449,366	1,620,330	836,960	P: 675,594 T: 1,106,686	722,340	946,679
MANUFACTURING	20–39	345,872	340,752	358,061	293,556	618,903	592,994	P: 388,557 T: 647,482	420,500	404,324
TRANSPORTATION	40–47	161,030	151,047	†	†	547,278	200,359	P: 172,284 T: 223,356	150,650	300,131
COMMUNICATIONS/ UTILITIES	48–49	37,726	44,795	†	†	78,655	40,314	P: 40,873 T: 50,490	49,280	70,834
WHOLESALE	50–51	483,825	424,977	415,829	326,492	510,973	761,009	P: 555,376 T: 1,145,911	686,730	†
RETAIL	52–59	1,164,104	1,306,655	1,923,228	1,055,095	2,830,202	1,887,151	P: 1,506,577 T: 2,724,580	2,071,970	†
BANKING SERVICES	60–62	84,728	129,277	†	†	261,913	112,956	P: 124,992 T: 137,447	183,590	270,950
INSURANCE	63–64	124,652	131,921	†	†	347,898	136,523	P: 154,990 T: 168,283	188,420	226,141
REAL ESTATE/ INV. SVCS.	65–67	206,100	214,715	†	†	1,530,189	316,816	P: 301,437 T: 357,946	316,130	386,066
BUSINESS SERVICES	70–79	566,392	725,465	661,222	1,220,631	3,759,941	1,034,510	P: 963,531 T: 1,741,589	1,571,000	†
MEDICAL HEALTH	80	380,456	348,288	542,628	345,951	717,950	303,883	P: 348,206 T: 381,551	534,990	217,948
LEGAL SERVICES	81	118,295	124,603	203,015	119,927	270,058	127,930	P: 136,758 T: 138,886	351,540	443,565
EDUCATION SERVICES	82	22,964	29,282	107,620	6,703	200,350	144,014	P: 147,608 T: 168,359	219,490	126,562
ORGANIZATIONS	83–86	143,017	174,166	†	†	14,417	76,086	P: 148,739 T: 175,352	194,880	†
RELIGIOUS SERVICES	8661	5,707	92,885	†	†	†	33,030	P: 55,184 T: 83,998	185,390	14,664
ENGINEERS/ ARCHITECTS	8911	50,293	49,456	96,859	43,349	166,921	50,825	P: 58,260 T: 66,137	73,270	111,824
ACCOUNTING SERVICES	8931	54,114	56,655	179,757	52,376	253,748	57,002	P: 58,479 T: 63,193	108,250	38,636
MISC. SERVICES	89 except 8911 and 8931	9,229	22,021	†	32,728	422,539	14,527	P: 55,336 T: 171,580	6,600	30,500
PUBLIC/ GOVERNMENT	90	185,948	NA	†	†	†	NA	P: 69,692 T: 75,027	131,510	†
TOTAL		4,804,715	5,517,715	7,400,000	4,957,277	14,933,960	7,030,381	P: 6,164,672 T: 9,929,082	8,164,960	

*Excludes auxiliary and administrative establishments.
**D&B files combined with MDR data.
†Census not taken for these industry fields or data not compiled in total counts.
P = number of est. with Primary SIC.
T = Total number of est. with Primary & Secondary SICs.

Source: DMA Information Central, 1987

WHO OPENS BUSINESS MAIL BY MANAGEMENT LEVEL



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Source: Ogilvy & Mather Direct, There's No Business Like Business-To-Business, 1985

AVERAGE NUMBER OF BUSINESS MAILINGS RECEIVED PER WEEK

The Stephan Direct, Executive Reactions to Unsolicited Business Mail Study was conducted by mail survey in June 1985 among 500 executives. A 22% response rate was achieved.

NUMBER OF PIECES PER WEEK	
0–10	19%
11–20	15
21–30	26
31–40	4
41–50	7
51–75	7
75+	15
AVERAGE	44

Source: Stephan Direct, Inc. 1985

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PERCENTAGE OF BUSINESS MAIL
UNSOLICITED

PERCENTAGE UNSOLICITED	
0–20	7%
21–40	11
41–60	11
61–80	26
81–100	44
AVERAGE	70%

Source: Stephan Direct, Inc. 1985

delete

MAJOR FACTORS ACCOUNTING FOR POTENTIAL MAIL ORDER SALES GROWTH

	TOTAL SAMPLE		TYPE OF COMPANY				MAIL ORDER SALES SIZE			
			BUSINESS PRODUCTS/ SERVICES		INDUSTRIAL PRODUCTS		LESS THAN $2.5 MM		$2.5 MM +	
	#	%	#	%	#	%	#	%	#	%
TOTAL IN SAMPLE	92	100	57	100	35	100	37	100	36	100
TOTAL RESPONDING	89	97	55	96	34	97	35	95	36	100
GENERAL CATEGORY GROWTH	24	26	17	30	7	20	10	27	8	22
INCREASING PERSONAL SELLING EXPENSE	28	30	18	32	10	29	7	19	18	50
INCREASING IN-STORE SELLING	11	12	5	9	6	17	4	11	5	14
INADEQUATE IN-STORE SELLING	1	1			1	3			1	3
GENERAL MAIL ORDER GROWTH	47	51	31	54	16	46	20	54	22	61
STILL UNTAPPED CUSTOMER BASE RESOURCES	24	26	14	25	10	29	10	27	8	22
MAIL ORDER PRODUCT LINE OPPORTUNITIES	22	24	13	23	9	26	7	19	12	33
MAIL ORDER MERCHANDISING (PRODUCT PROMOTIONAL OPPORTUNITIE)S	31	34	19	33	12	34	15	41	14	39
MAIL ORDER CUSTOMER SERVICE OPPORTUNITIES	19	21	14	25	5	14	7	19	10	28
MICROCOMPUTER TECHNOLOGY	1	1	1	2					1	3
MAIL ORDER MEDIA OPPORTUNITIES	49	53	30	53	19	54	13	35	27	75
CATALOG	42	46	25	44	17	49	10	27	24	67
OTHER DIRECT MAIL	22	24	13	23	9	26	3	8	15	42
SPACE	8	9	7	12	1	3	2	5	4	11
TELEPHONE—OUTBOUND	17	18	12	21	5	14	1	3	12	33
TELEPHONE—INBOUND	19	21	13	23	6	17	2	5	13	36
BROADCAST—TV	1	1			1	3			1	3
BROADCAST—CABLE	4	4	2	4	2	6	2	5	2	1
OTHER	2	2	2	4					1	3
NO RESPONSE	3	3	2	4	1	3	2	5		
TOTAL RESPONSE	372	402	236	414	136	389	113	305	198	550

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MAJOR FACTORS LIMITING MAIL ORDER SALES GROWTH

	TOTAL SAMPLE		TYPE OF COMPANY				MAIL ORDER SALES SIZE			
			BUSINESS PRODUCTS/ SERVICES		INDUSTRIAL PRODUCTS		LESS THAN $2.5 MM		$2.5 MM –	
	#	%	#	%	#	%	#	%	#	%
TOTAL IN SAMPLE	92	100	57	100	35	100	37	100	36	100
TOTAL RESPONDING	83	90	52	91	31	89	32	86	34	94
GENERAL CATEGORY SLOWDOWN	8	9	6	11	2	6	1	3	5	14
INCREASING PERSONAL SELLING MARKET COVERAGE	4	4	2	4	2	6	6	16	4	11
INCREASING RETAIL STORE COVERAGE	13	14	9	16	4	11	14	38	4	11
INCREASING MAIL ORDER COMPETITIVE SATURATION	38	41	27	47	11	31	6	16	19	53
SATURATED CUSTOMER BASE RESOURCES	19	21	15	26	4	11	2	5	10	28
DECLINING PRODUCT LINE EXPANSION OPPORTUNITIES	8	9	6	11	2	6	18	49	5	14
INCREASING PROMOTIONAL COST	39	42	26	46	13	37	7	20	16	44
INCREASING FULFILLMENT COSTS	16	17	12	21	4	11	1	3	7	19
ECONOMY SLOWDOWN	2	2	1	2	1	3	1	3		
EDUCATIONAL BUDGET CUTBACKS	1	1	1	2						
MAIL ORDER PRICE COMPETITION	1	1			1	3			1	3
COST OF ORDERS	1	1	1	2			1	3		
UNSATISFACTORY SUPPLIER SERVICE	1	1	1	2						
MAIL ORDER SERVICING LIMITATIONS	1	1			1	3			1	3
NONE	3	3	1	2	2	6				
NO RESPONSE	9	10	5	9	4	11	5	14	2	6
TOTAL RESPONSE	155	168	108	189	47	134	57	154	73	203

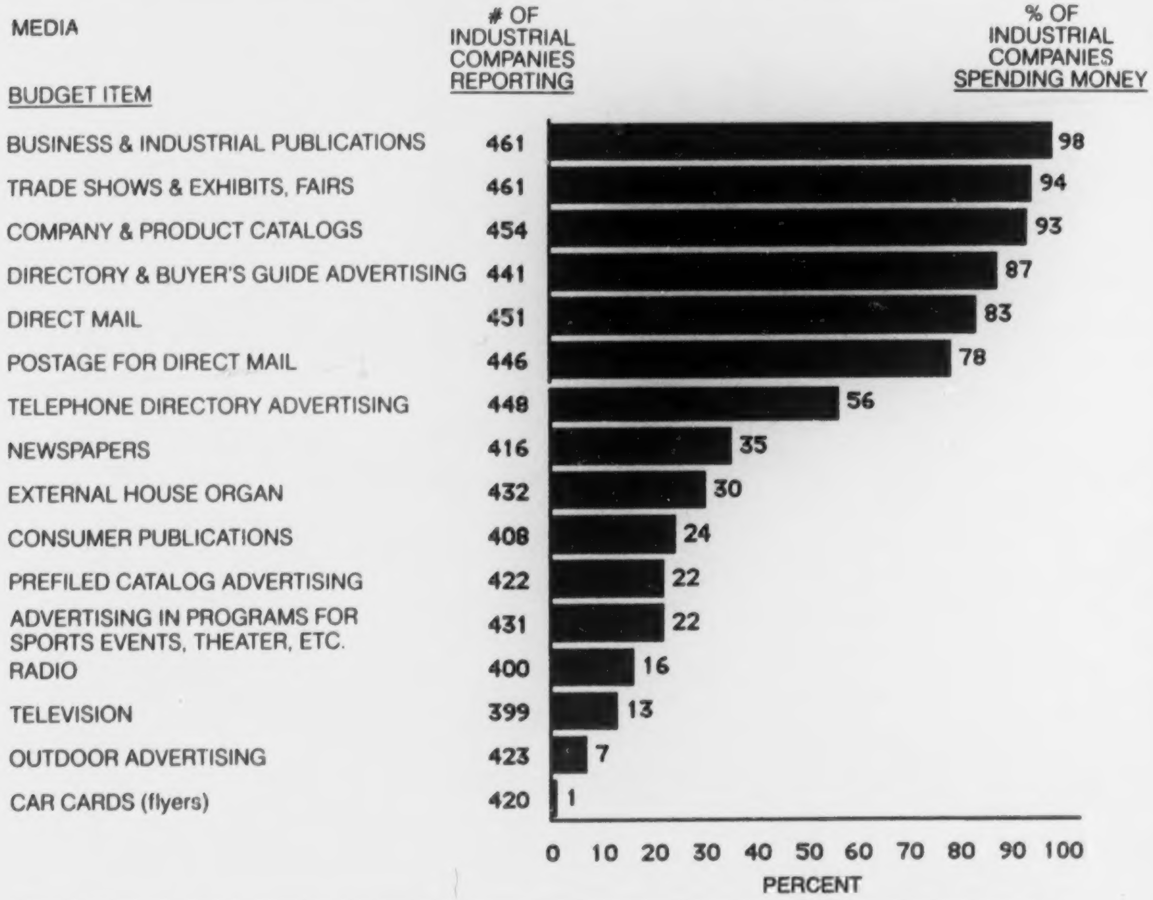
Source: Arnold Fishman, Marketing Logistics, 1983

BUSINESS-TO-BUSINESS ADVERTISING BY MEDIA TYPE

update

Over 90% of industrial companies spend money on business & industrial publications, trade shows & exhibits, fairs, company & product catalogs. Fewer than 17% report expenditures for radio, television, outdoor advertising, and car cards. These are the results of a study conducted by McGraw-Hill Research to determine how industrial firms spent their media budgets in 1984.

The percentage of companies that invest dollars on various expenses including sales promotion, advertising department overhead, and miscellaneous is shown on the following pages.

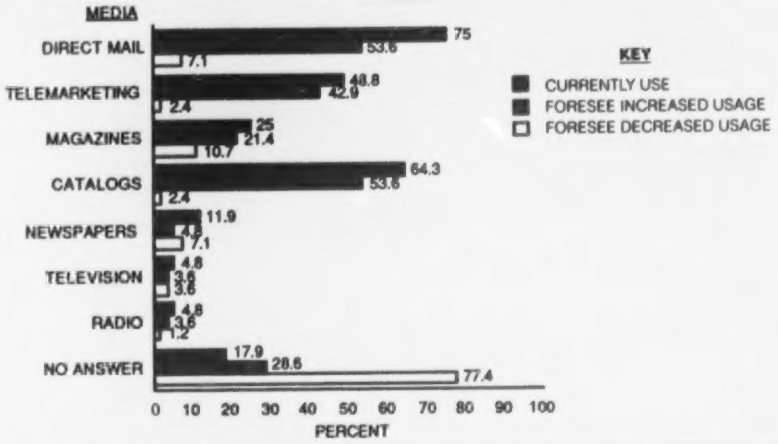


Source: McGraw-Hill Research, 1984, "Survey of Advertising Expenditures."

SELLING DIRECTLY

TODAY'S PATTERNS VS. TOMORROW'S EXPECTATIONS

The DMA Marketing Council, Management Survey of Current Direct Marketing Practices and Trends was conducted by mail in August 1986 among 4,550 companies. A 22% response rate was achieved. The following charts summarize the key findings of Today's Patterns vs. Tomorrow's Expectations.



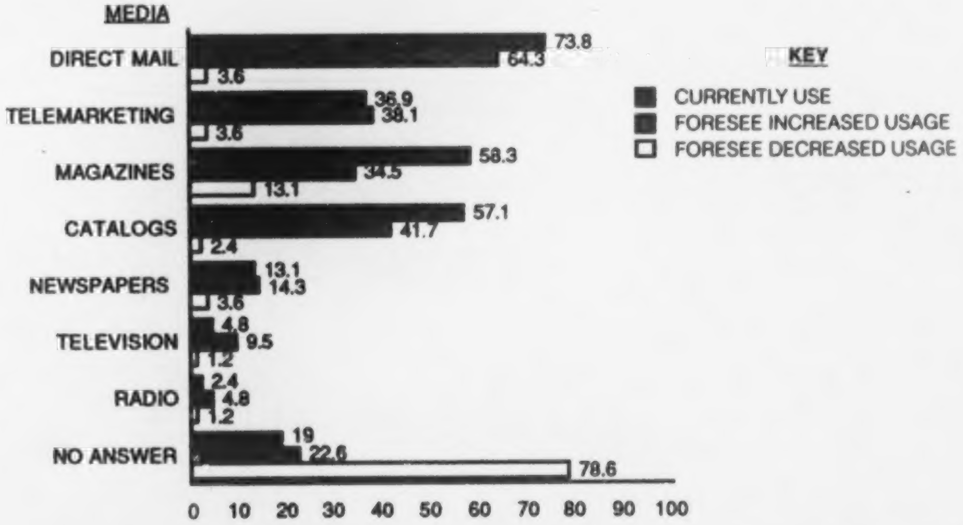
Source: DMA Research Department.

date

MEDIA USED IN BUSINESS-TO-BUSINESS LEAD GENERATION

TODAY'S PATTERNS VS. TOMORROW'S EXPECTATIONS

Lead Generation—the acquisition of prospects.



Source: DMA Research Department.

date

• FINANCIAL SERVICES/ GENERAL

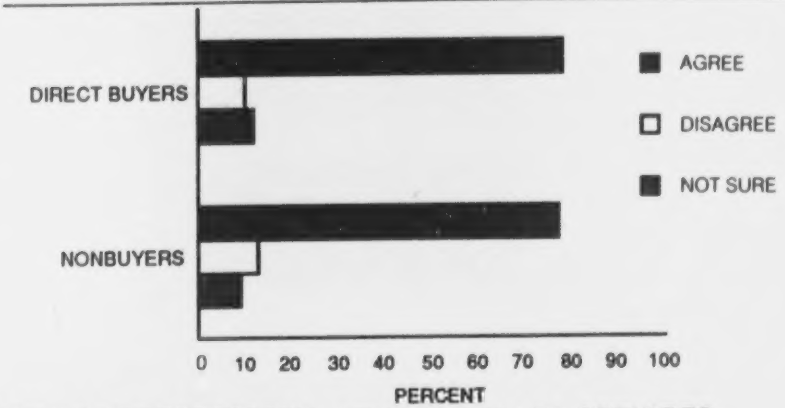
CONSUMER ATTITUDES

TRENDS

CONSUMER ATTITUDES TOWARDS THE FINANCIAL SERVICES INDUSTRY

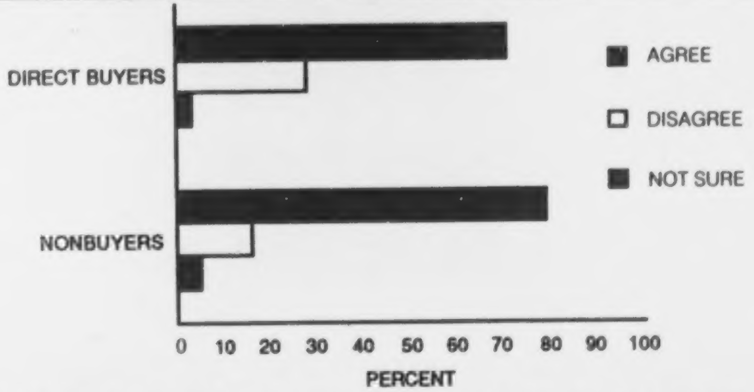
INCREASING WAYS TO PURCHASE

Consumer has the advantage today because there are so many different ways to buy insurance and financial products and services.



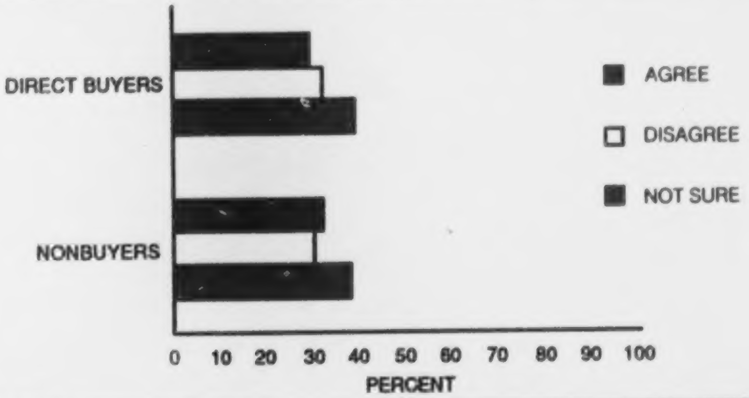
CONSUMER PREFERENCES: ATMs VS. TELLER SERVICES

Even though automated teller machines (ATMs) are very popular, I still prefer to deal with a teller personally when making routine banking transactions.



CONSUMER PREFERENCES: ONE STOP FINANCIAL CENTERS

One stop financial centers are smart places to shop for financial products and services.



Source: Life Insurance Marketing Research Association, 1985.

NUMBER OF FINANCIAL SERVICES SALES PIECES RECEIVED IN THE PAST MONTH

The Life Insurance Marketing Research Association's study, Buying Directly: The Consumer's Response was conducted by mail in 1985 among 4,000 households. A 45% response rate was achieved. The following charts summarize key highlights of the study's findings.

	NONBUYERS	DIRECT BUYERS
NONE	26%	13%
1 OR 2	25	26
3 TO 5	32	32
6 OR MORE	14	26
DO NOT RECALL	3	3
	100%	100%

Source: Life Insurance Marketing Research Association, 1985

FINANCIAL AND INVESTMENT PRODUCTS OWNED OR USED BY HOUSEHOLD

			DIRECT BUYERS			
	NON-BUYERS	DIRECT BUYERS	LIFE	HEALTH	PROPERTY & CASUALTY	INVEST.
SAVINGS ACCOUNT	71%	73%	70%	73%	75%	73%
CREDIT UNION SHARE ACCOUNT	28	33	34	23	41	38
CHECKING ACCOUNT, NO INTEREST PAID	53	53	55	52	49	52
CHECKING ACCOUNT, WITH INTEREST PAID	39	47	39	43	48	60
CERTIFICATE OF DEPOSIT (CD)	37	41	29	49	45	49
MONEY MARKET FUND	26	39	25	30	42	80
MUTUAL FUND	10	20	7	12	20	49
COMMON OR PREFFERED STOCK	21	32	22	21	41	58
GOVERNMENT SAVINGS BONDS	24	26	28	22	26	23
CORPORATE BONDS	3	6	3	5	7	15
STATE OR MUNICIPAL BONDS	4	7	3	4	9	19
LIMITED PARTNERSHIP TAX SHELTER	3	5	3	2	4	11
OTHER	2	4	4	3	3	4
HOUSEHOLDS WITH NONE OF THE ABOVE	5%	3%	6%	3%	2%	—

— = No cases

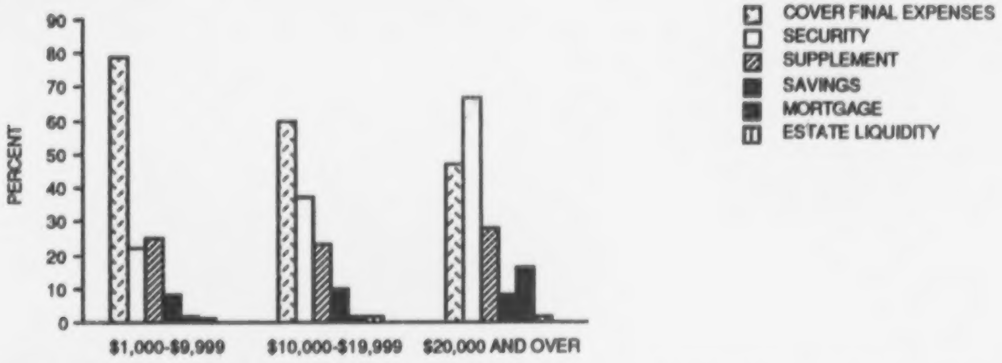
Source: Life Insurance Marketing Research Association, 1985

• FINANCIAL SERVICES/ INSURANCE

BUYING HABITS

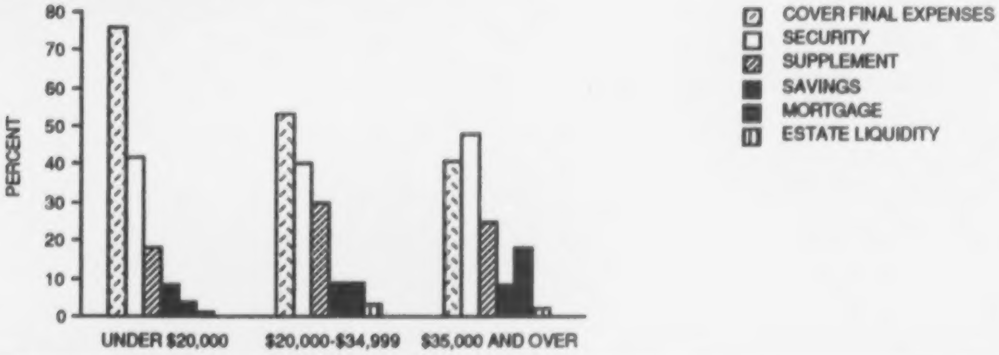
TRENDS

REASONS FOR DIRECT LIFE PURCHASE
BY POLICY SIZE



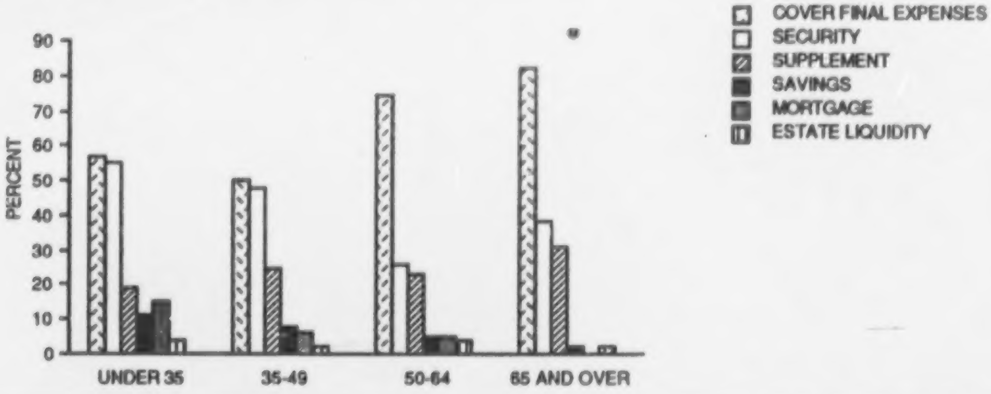
Source: Life Insurance Marketing Research Association, 1985

REASONS FOR DIRECT LIFE PURCHASE
BY HOUSEHOLD INCOME



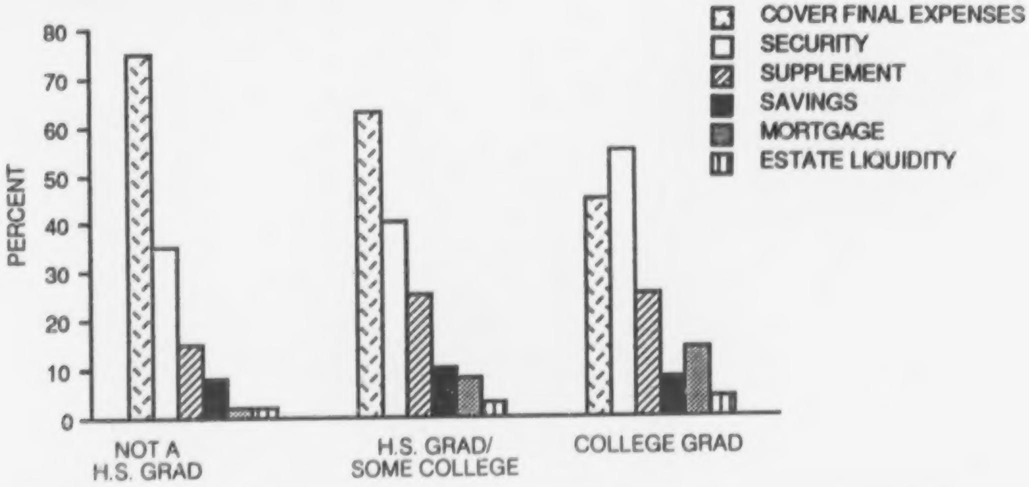
Source: Life Insurance Marketing Research Association, 1985

REASONS FOR DIRECT LIFE PURCHASE
BY AGE OF HOUSEHOLD HEAD



Source: Life Insurance Marketing Research Association, 1985

REASONS FOR DIRECT LIFE PURCHASE
BY EDUCATION OF HOUSEHOLD HEAD



Source: Life Insurance Marketing Research Association, 1985

TYPES OF INSURANCE COVERAGE HOUSEHOLD CURRENTLY OWNS

			DIRECT BUYERS			
	NON-BUYERS	DIRECT BUYERS	LIFE	HEALTH	PROPERTY & CASUALTY	INVEST.
AUTO	90%	93%	90%	90%	97%	96%
HOSPITAL/MEDICAL	87	89	86	86	89	93
LIFE	85	86	98	75	84	86
HOMEOWNERS/RENTERS	85	86	78	85	86	91
ACCIDENTAL DEATH AND DISMEMBERMENT	44	51	58	43	50	54
DISABILITY INCOME	29	36	37	21	37	43
TRAVEL/ACCIDENT	27	39	35	39	34	43
MEDICARE SUPPLEMENTAL	22	27	14	47	25	27
MORTGAGE OR CREDIT LIFE	22	21	29	17	17	17
OTHER	2	3	3	2	3	6
HOUSEHOLDS WITH NONE OF THE ABOVE	2%	+	1%	1%	1%	—

+ Less than 1/2 of 1 percent
– No cases

Source: Life Insurance Marketing Research Association, 1985.

MEDICAL, HOSPITAL OR HEALTH INSURANCE

Types of Medical, Hospital or Health Insurance Currently Carried	Currently Carry		Acquired in Last 12 Months	
	'000	%	'000	%
From a Place of Work or Union	**70502** 79162	**40.6** 46.2	**7901** 9677	**4.5** 5.7
From a Fraternal or Other Membership Group	**3527** 3807	**2.0** 2.2	**538** 686	**.3** .4
Medicare	**20984** 22568	**12.1** 13.2	**1609** 1290	**.9** .8
Medicaid	**6204** 7328	**3.6** 4.2	**676** 909	**.4** .5
Through an Independent Agent or Broker	**6716** 6449	**3.9** 3.8	**930** 923	**.5** .5
Directly from Insurance Company	**9384** 9859	**5.4** 5.8	**792** 1268	**.5** .7
In Response to Mail Advertising Rec'd. at Home or Office (No Agent)	**1891** 2150	**1.1** 1.3	**437** 418	**.3** .2
In Response to Newspaper or Magazine Advertising (No Agent)	**649** 815	**.4** .5	**129** 141	**.1** .1
Other	**7901** 8414	**4.5** 4.9	**965** 1059	**.6** .6
Do Not Know	**3758** 2544	**2.2** 1.5		

Bold Type #'s + % = 1987
Bottom #'s + % = 1986

Source: Simmons Market Research Bureau, Inc. 1986 & 1987

PRIMARY ADVANTAGES OF BUYING INSURANCE OR INVESTMENTS BY DIRECT RESPONSE FROM A COMPANY

	NONBUYERS	DIRECT BUYERS
NONE OR NOT SURE	34%	10%
LESS EXPENSIVE	43	50
NO PRESSURE FROM AGENT	12	18
SAVES TIME/CONVENIENT	5	11
BETTER/MORE CHOICE	4	9
COMPANY'S REPUTATION	1	1
OTHER	1	1
	100%	100%

Source: Life Insurance Marketing Research Association, 1985

ATTENTION PAID TO DIRECT MAIL SALES LITERATURE ON INSURANCE AND INVESTMENTS

	NONBUYERS	DIRECT BUYERS
READ THOROUGHLY ALL OR MOST	6%	14%
READ SELECTED PIECES	20	27
GLANCE AT ALL	54	52
THROW MOST AWAY UNOPENED	20	7
SOMEONE ELSE SCREENS MAIL	+	–
	100%	100%

+ Less than 1/2 of 1 percent
– No cases

Source: Life Insurance Marketing Research Association, 1985

PRIMARY REASON FOR PURCHASING LIFE INSURANCE DIRECTLY RATHER THAN THROUGH AN AGENT

		PERSONAL LIFE AGENT	
	TOTAL	HAVE	DO NOT HAVE
LESS EXPENSIVE	50%	55%	46%
POLICY MEETS NEEDS	13	14	12
CONVENIENT, EASIER	12	10	13
ADVERTISING	7	3	10
COMPANY REPUTATION	6	5	7
ENDORSED BY ASSOCIATION	4	5	4
THROUGH EMPLOYER	4	4	5
OTHER	4	4	3
	100%	100%	100%
ALL DIRECT BUYERS		41%	59%

Source: Life Insurance Marketing Research Association, 1985

IMPORTANT FACTORS IN PURCHASING INSURANCE OR INVESTMENTS DIRECTLY

	NONBUYERS	DIRECT BUYERS
NO AGENT WILL CALL		
HOUSEHOLD HEADS AGED. . .		
65 AND OVER	39%	40%
50–64	28	46
35–49	27	40
UNDER 35	26	34
ALL HOUSEHOLDS	29%	40%
NO PHYSICAL REQUIRED		
HOUSEHOLD HEADS AGED. . .		
65 AND OVER	46%	45%
50–64	30	45
35–49	35	34
UNDER 35	28	29
ALL HOUSEHOLDS	34%	39%
TOLL-FREE PHONE NUMBER FOR:		
MAKING PURCHASE	68%	64%
MAKING CLAIMS	81	81
QUESTIONS AND OTHER SERVICES	81	83

Source: Life Insurance Marketing Research Association, 1985.

PRIMARY DISADVANTAGES OF BUYING INSURANCE OR INVESTMENTS DIRECT FROM A COMPANY

	NONBUYERS	DIRECT BUYERS
NO PERSONAL CONTACT/NO AGENT	56%	49%
MIGHT MISUNDERSTAND POLICY	21	23
NONE OR NOT SURE	9	13
CLAIMS A PROBLEM	10	10
MORE EXPENSIVE	1	1
OTHER	3	4
	100%	100%

Source: Life Insurance Marketing Research Association, 1985.

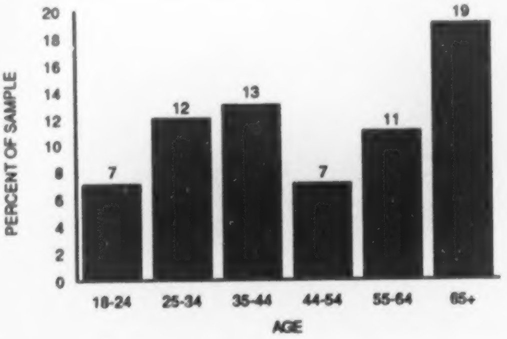
NUMBER OF LIFE INSURANCE POLICIES THAT HOUSEHOLDS BOUGHT DIRECTLY

	PERCENT
ONE	52%
TWO	29
THREE OR MORE	19
	100%

Source: Life Insurance Marketing Research Association, 1985.

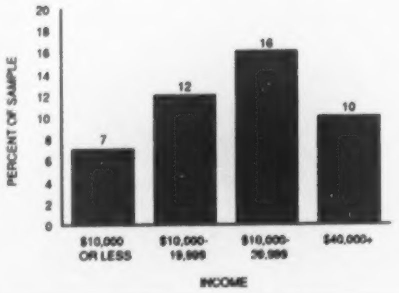
PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE
BY AGE

The SRI Research Center's Financial Telemarketing Study was conducted by telephone in January 1986 among 280 U.S. households.



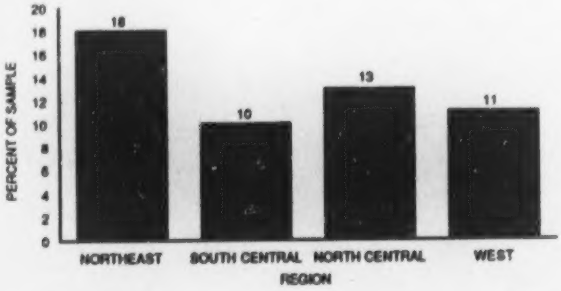
Source: SRI Research Center, Inc., January 1987

PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE
BY INCOME



Source: SRI Research Center, Inc., January 1987

PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE
BY REGION



Source: SRI Research Center, Inc., January 1987.

TYPES OF LIFE INSURANCE POLICIES CURRENTLY CARRY

	Directly From Insurance Company		In Response To Mail Advertising Received at Home or Office (No Agent)		Through A Credit Card		Other	
	'000	%	'000	%	'000	%	'000	%
Currently Carry	**31612**	**18.2**	**1581**	**.9**	**2122**	**1.2**	**5982**	**3.4**
	36013	21.0	1273	.7	2608	1.5	4776	2.8
Face Value of Life Insurance Currently Carried								
Under $5,000	**8181**	**4.7**	**358**	**.2**	**393**	**.2**	**2273**	**1.3**
	10694	6.2	539	.3	730	.4	1302	.8
$5000–$9099	**4905**	**2.8**	**277**	**.2**	**275**	**.2**	**1146**	**.7**
	6274	3.7	193	.1	472	.3	1177	.7
$10,000–$19,999	**6215**	**3.6**	**356**	**.2**	**599**	**.3**	**1127**	**.6**
	6081	3.6	200	.1	594	.3	786	.5
$20,000–$29,999	**3993**	**2.3**	**239**	**.1**	**223**	**.1**	**414**	**.2**
	4436	2.6	70	*	314	.2	290	.2
$30,000–$49,999	**1969**	**1.1**	**84**	*	**105**	**.1**	**272**	**.2**
	2072	1.2	44	*	106	.1	353	.2
$50,000–$74,999	**3189**	**1.8**	**221**	**.1**	**83**	*	**404**	**.2**
	3516	2.1	150	.1	158	.1	301	.2
$75,000–$99,000	**628**	**.4**			**80**	*	**168**	**.1**
	645	.4					103	.1
$100,000 or more	**2533**	**1.5**	**45**	*	**364**	**.2**	**179**	**.1**
	2295	1.3	88	*	234	.1	464	.3

Bold Face #'s are 1987
Bottom #'s are 1986

Source: Simmons Market Research Bureau, Inc. 1986 and 1987

• FINANCIAL SERVICES/ BANKS

TRENDS

PERCENTAGE OF BANKS WHICH USED (OR DID NOT USE) MAIL ADVERTISING IN 1985.

(ALL REPORTING BANKS—1985)

	ASSET SIZE IN MILLIONS								
USE OF MAIL	UNDER $10	$10–$25	$25–$50	$50–$100	$100–$250	$250–$500	$500–$1 BILLION	$1 BILLION $5 BILLION	OVER 5 BILLION
DID NOT MAIL	72%	55%	47%	35%	14%	9%	5%	2%	—
MAILED 1–3	28	35	43	48	59	58	45	27	29
4–6	—	5	7	13	17	20	35	40	36
7–9	—	1	1	1	6	6	3	9	14
10 or more	—	4	2	3	4	7	12	22	21
TOTAL USING MAIL	28	45	53	65	86	91	95	98	100

In all asset categories, except banks under $25 million, a majority of respondents used direct mail in 1985.

Source: Bank Marketing Association, Analysis of 1985 Bank Marketing Expenditures, 1986

EXPECTED BANK USE OF DIRECT MAIL IN 1986

(ALL REPORTING BANKS—1985)

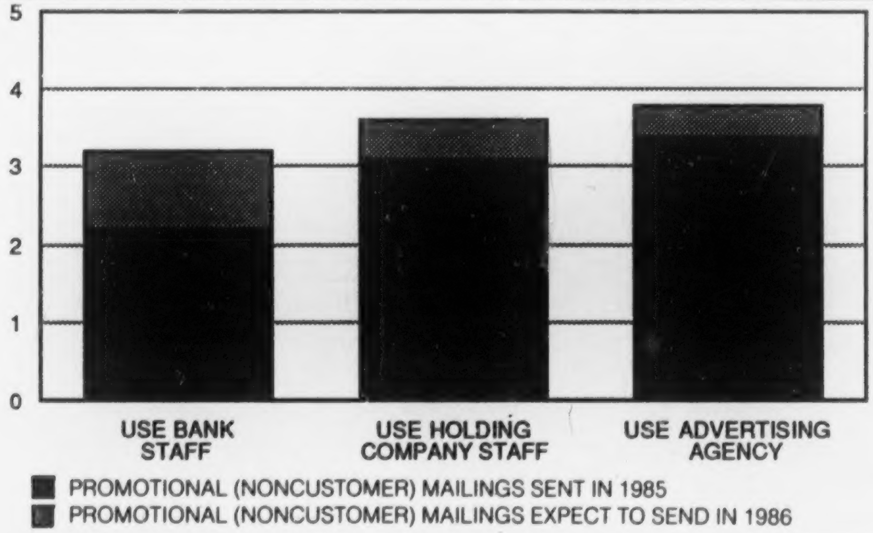
	ASSET SIZE IN MILLIONS								
USE OF MAIL	UNDER $10	$10–$25	$25–$50	$50–$100	$100–$250	$250–$500	$500–$1 BILLION	$1 BILLION $5 BILLION	OVER 5 BILLION
WILL NOT MAIL	68%	56%	37%	26%	9%	2%	2%	2%	—
WILL MAIL 1–3	27	26	42	43	42	40	27	15	7
4–6	5	12	15	22	32	37	37	32	29
7–9	—	2	2	4	8	6	16	19	21
10 or more	—	4	4	5	9	15	18	32	43
TOTAL WILL MAIL	32	44	63	74	91	98	98	98	100

The percentage of banks planning to use direct mail will stay the same or increase in 1986 in all asset ranges, except among those banks under $25 million in assets.

Source: Bank Marketing Association, Analysis of 1985 Bank Marketing Expenditures, 1986

NUMBER OF BANK MAILINGS BY ADVERTISING SOURCE
(1985 Actual, 1986 Expected)

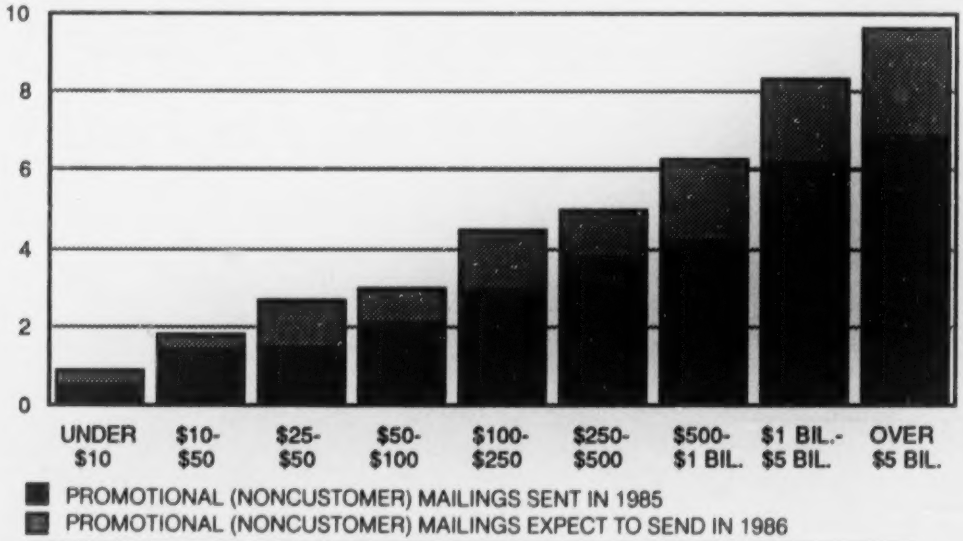
The number of mailings expected in 1986 increases in every asset range. While community banks expect to send .2 to 1.0 more mailings, the larger banks expect to send from 1.4 to 3.0 more mailings in 1986 than they sent in 1985.



Source: Bank Marketing Association, Analysis of Bank Marketing Expenditures, 1986.

NUMBER OF BANK MAILINGS BY ASSET SIZE
(1985 Actual, 1986 Expected)

The average number of mailings sent in 1985 is directly correlated to the size of the bank, increasing from .6 in the very smallest banks to 6.7 in the largest banks (note that average is for all banks—both users and non-users).



Source: Bank Marketing Association, Analysis of Bank Marketing Expenditures, 1986.

BANK SERVICES PROMOTED BY DIRECT MAIL
(ALL REPORTING BANKS—1985)

	ASSET SIZE IN MILLIONS								
TYPE OF SERVICE	UNDER $10	$10–$25	$25–$50	$50–$100	$100–$250	$250–$500	$500–$1 BILLION	$1 BILLION–$5 BILLION	$5 BILLION OR MORE
CREDIT	**23%**	**28%**	**41%**	**50%**	**69%**	**85%**	**85%**	**89%**	**100%**
CREDIT CARD	2	5	11	16	31	48	44	56	87
INSTALLMENT	18	19	22	19	34	37	33	33	53
HOME EQUITY	5	10	8	16	26	39	51	55	53
OTHER LINE OF CREDIT	2	4	11	18	25	31	40	47	80
MORTGAGE	7	6	16	13	17	13	25	11	27
OTHER CREDIT SERVICES		2	4	7	7	7	4	4	13
DEPOSIT	**30**	**42**	**52**	**64**	**80**	**87**	**82**	**82**	**100**
CHECKING	16	26	26	27	26	17	25	16	20
MONEY MARKET	16	21	21	19	26	27	18	27	40
SHORT TERM CDS	7	10	13	8	12	21	11	11	40
LONG TERM CDS	5	9	11	8	13	19	9	16	27
IRA	25	35	47	58	70	78	78	80	93
OTHER DEPOSIT SERVICES	7	4	12	14	16	15	16	9	13
CORPORATE	**16**	**14**	**21**	**29**	**33**	**49**	**42**	**38**	**40**
DEPOSIT	11	9	11	13	11	14	16	15	7
LOANS	11	9	12	12	16	24	25	22	7
ANCILLARY			1	2	5	4	5	5	
INSTITUTIONAL		3	5	7	11	16	18	6	13
OTHER			5	6	5	9	7	7	13

Source: Bank Marketing Association, Analysis of Bank Marketing Expenditures, 1986

HIGHLIGHTS OF BANK SERVICES PROMOTED BY MAIL

Credit Services: Use of direct mail for selling credit increases from only 23% in the smallest banks to 100% in the largest banks. In the community banks, credit related to real estate such as home equity loans is promoted by 5% to 55% of responding banks.

The larger institutions are more likely to sell credit cards (more than one-half of those banks over $1 billion promoted them by mail), followed by home equity loans and other types of lines of credit. Mortgage lending is promoted at 6% to 27% of banks using direct mail.

Deposit Services: The likelihood of promoting deposit services by mail increases with the size of the bank, with about one-half of community banks and nearly all of the larger banks selling them.

Within deposit services, the product sold most frequently among community banks is individual Retirement Accounts (from 25% of the smallest to 70% to 78% of the larger community banks). Among the largest banks, 78% to 93% sell IRAs by mail.

Other deposit services sold frequently by mail are certificates of deposit (both short and long term). Slightly more banks reported selling short term certificates (7% to 40%), than longer term certificates (5% to 27%).

Many institutions also reported selling money market accounts by mail. Again, larger institutions were somewhat more likely to promote MMAs than community banks. The community banks, however, were somewhat more likely to promote checking accounts (16% to 27%) than larger banks.

Corporate Services: As expected, larger banks are more likely to use mail to promote their various corporate services. These services were sold by mail at 14% to 33% of community banks, and at 38% to 49% of the larger institutions.

Loans are promoted most often (7% to 25% of all banks), followed by institutional advertising (3% to 18%) and deposit services (7% to 16%). Ancillary corporate services are sold by 1% to 5% of banks which use mail advertising.

Source: Bank Marketing Association, Analysis of Bank Marketing Expenditures, 1986

• FINANCIAL SERVICES/ CREDIT CARDS

TRENDS

CREDIT CARD OWNERSHIP

	1983	1984	1985	1986	1987
HAVE CREDIT CARDS	82%	81%	79%	79%	77%
RETAIL CARDS	71%	69%	68%	68%	62%
SEARS	53	50	49	51	44
JCPENNEY	37	35	34	35	34
MONTGOMERY WARD	21	23	20	17	15
OTHER RETAIL CARDS	45	41	41	39	35
BANK CARDS	58%	57%	56%	57%	60%
VISA	45	43	43	45	46
VISA (REGULAR)	43	40	37	40	41
VISA PREMIUM	3	5	9	7	7
MASTERCARD	36	35	34	34	36
MASTERCARD (REGULAR)	35	33	30	31	32
GOLD MASTERCARD	1	3	5	5	5
GASOLINE CREDIT CARDS	40%	35%	34%	35%	30%
TELEPHONE CREDIT CARDS	24%	26%	26%	25%	26%
THIRD PARTY CARDS	13%	13%	12%	14%	13%
AMERICAN EXPRESS	11	11	12	13	12
AMERICAN EXPRESS GREEN	9	9	9	10	9
AMERICAN EXPRESS GOLD	3	3	3	3	4
AMERICAN EXPRESS PLATINUM	NA	NA	NA	1	*
DINER'S CLUB	2	2	2	2	1
CARTE BLANCHE	1	1	0	1	1
DISCOVER	NA	NA	NA	3	9
AIRLINE CREDIT CARDS	4%	3%	3%	3%	3%
CAR RENTAL CREDIT CARDS	3%	3%	3%	3%	2%

NA = Not asked * = Less than 0.5 percent

Source: Money Magazine, Americans and Their Money, 1987

CHARGE ON CREDIT CARDS IN THE PAST 12 MONTHS

	1983	1984	1985	1986	1987
CHARGED ON CREDIT CARDS IN PAST 12 MONTHS	74%	73%	72%	72%	70%
UNDER $1,000	41	38	36	35	33
UNDER $500	23	22	21	22	20
$500–$999	18	16	15	13	13
$1,000–$2,999	21	23	23	24	23
$1,000–$1,999	13	15	15	15	16
$2,000–$2,999	8	8	8	9	7
$3,000 AND OVER	12	12	13	19	14
$3,000–$4,999	5	5	6	8	6
$5,000–$9,999	6	5	5	7	8
HAVE NOT CHARGED ON CREDIT CARDS IN PAST 12 MONTHS	26	27	28	28	30
AVERAGE AMOUNT CHARGED IN PAST 12 MONTHS—TOTAL POPULATION	$1,600	$1,600	$1,700	$2,300	$1,600
AVERAGE AMOUNT CHARGED IN PAST 12 MONTHS—AMONG THOSE WHO HAVE USED CREDIT CARDS	$1,800	$1,700	$1,900	$2,500	$2,100

Source: Money Magazine 1987.

• FINANCIAL SERVICES/ INVESTMENT SERVICES

TRENDS

1987 NO-LOAD MUTUAL FUND NET SALES BY QUARTER

"Load" is the mutual fund industry's term for sales charge or commission. Load funds charge a commission of up to 8.5 percent for brokers or sales people. With no-load funds, there is no need for brokers or sales people; transactions are completed directly—usually via a *single toll free call*.

	($ MIL.)
1ST QUARTER	$17,361.6
2ND QUARTER	3,317.7
3RD QUARTER	4,350.2
4TH QUARTER	206.9
Total	$25,236.4

Source No-Load Mutual Fund Association, Inc 1988

NO-LOAD MUTUAL FUND SALES AS A PERCENTAGE OF TOTAL MUTUAL FUND SALES

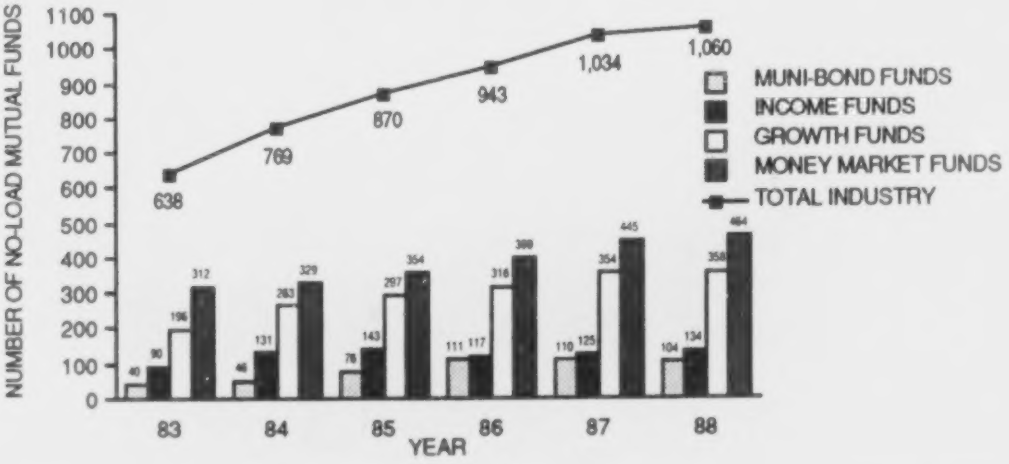
1984–1988

YEAR	TOTAL FUND GROSS SALES ($ MIL.)	TOTAL NO-LOAD GROSS SALES ($ MIL.)	NO-LOAD GROSS SALES AS A PERCENT OF TOTAL FUND SALES
1984	49,945.9	20,077.1	40.2%
1985	116,542.8	45,819.6	39.3%
1986	217,382.4	81,698.0	37.6%
1987	183,639.0	75,449.7	41.4%
1988	21,557.3	7,709.7	35.8%

Source No-Load Mutual Fund Association, Inc 1988

NUMBER OF NO-LOAD MUTUAL FUNDS

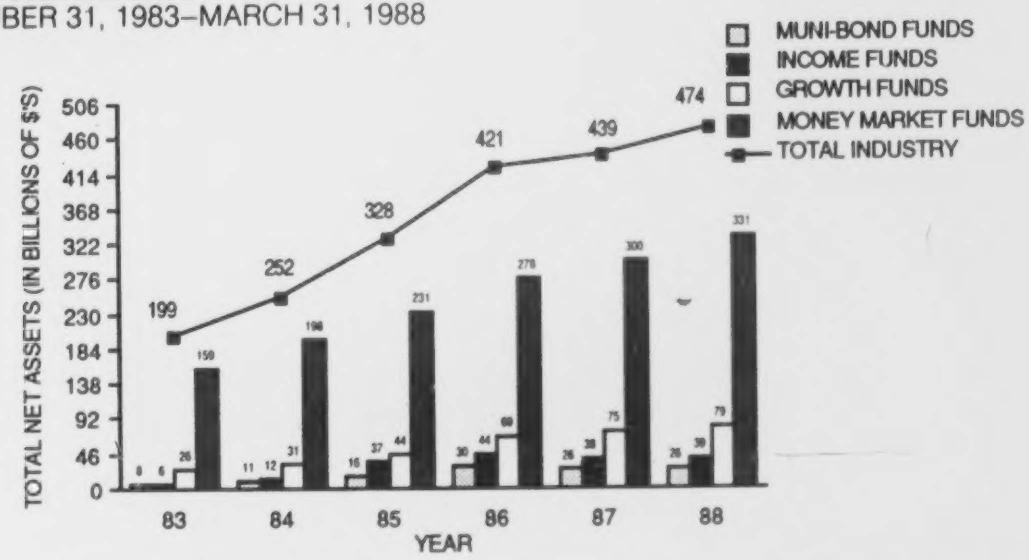
DECEMBER 31, 1983–MARCH 31, 1987



Source © No-Load Mutual Fund Association, Inc 1988

NO-LOAD MUTUAL FUND TOTAL NET ASSETS

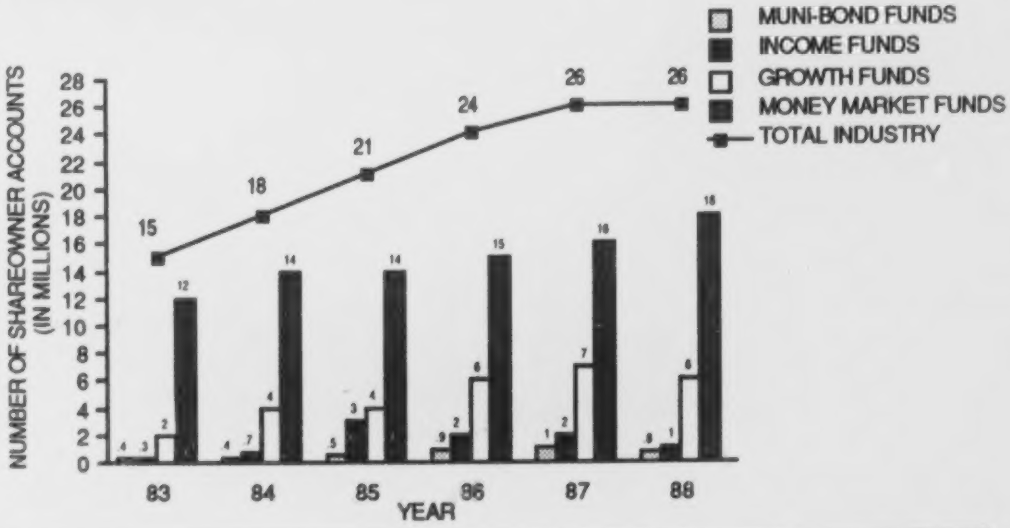
DECEMBER 31, 1983–MARCH 31, 1988



Source: © No-Load Mutual Fund Association, Inc., 1988

NO-LOAD MUTUAL FUND NUMBER OF SHAREOWNER ACCOUNTS

DECEMBER 31, 1983–MARCH 31, 1988



Source: © No-Load Mutual Fund Association, Inc., 1988

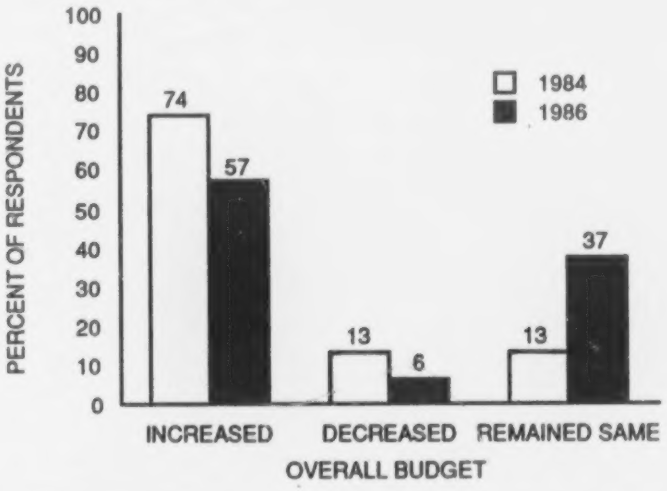
• CIRCULATION

COSTS

TRENDS

BUDGETARY CONSIDERATIONS FOR CIRCULATION PROMOTION

The DMA Research Department—Circulation Council's 1986 Periodical Publications Survey was conducted by self administered mail survey in December 1986 among 1,535 publications. A response rate of 18% was achieved. The following (20) charts represent a portion of the findings.



Keep

Source: DMA Research Department, 1986 Periodical Publications Survey

CIRCULATION COSTS

Keep

Magazine circulation costs have risen astronomically in recent years—faster than any other line item expense on the balance sheet. Combined circulation costs are up 27.6% of total magazine revenues industrywide in 1986.

Note: Totals in $000s, reported 1979–1986; percentages of total magazine revenue, 1979–1986.

TYPES OF COSTS	1979	1980	1981	1982	1983	1984	1985	1986
Commissions to Subscription Agencies	$129,352 5.02%	$184,935 6.20%	$204,184 5.91%	$213,820 5.63%	$245,723 5.96%	$256,516 5.58%	$327,879 6.51%	$347,318 6.72%
Other Subscription Promotion Costs	$191,113 7.42%	$225,116 7.55%	$264,346 7.66%	$289,095 7.62%	$320,005 7.75%	$411,979 8.96%	$441,566 8.76%	$462,983 8.95%
Commissions on Single Copy Sales	$194,838 7.57%	$204,194 6.84%	$244,618 7.08%	$283,723 7.48%	$323,422 7.83%	$325,207 7.08%	$411,468 8.17%	$444,634 8.60%
Other Single Copy Promotion Costs	$40,748 1.58%	$43,546 1.46%	$46,728 1.35%	$60,574 1.60%	$48,911 1.18%	$44,623 0.97%	$59,235 1.18%	$55,366 1.07%
Fulfillment Costs	$63,219 2.45%	$74,568 2.50%	$88,751 2.58%	$91,598 2.41%	$96,920 2.35%	$103,042 2.24%	$113,521 2.25%	$119,139 2.30%
Total Circulation Expenses	$619,270 24.04%	$732,357 24.55%	$848,627 24.58%	$938,810 24.74%	$1,034,981 25.07%	$1,141,367 24.83%	$1,353,669 26.87%	$1,429,440 27.64%

Source: Magazine Publishers of America

CIRCULATION MANAGER: SALARY ONLY

update.
w/ Folio

Circulation manager: Generally the second level of management in the circulation department. Administers circulation programs for subscriptions and single-copy sales. Handles all facets of circulation for one or more titles. Usually a position found in multi-title companies.

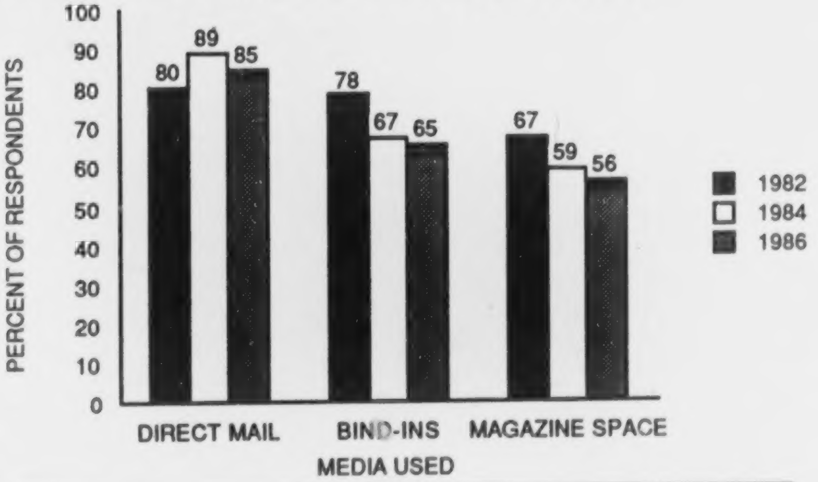
AVERAGE SALARIES (The number of respondents is in parentheses.)		**% INCREASE FROM '86 TO '87**
ALL RESPONDENTS	$26,632 (137)	6.9%
BUSINESS	23,928 (67)	5.9
CONSUMER	29,614 (68)	8.0
TOP ONE-THIRD	$39,487 (45)	
MIDDLE ONE-THIRD	24,472 (46)	
BOTTOM ONE-THIRD	16,216 (46)	

	AVERAGE	**AVERAGE BUSINESS**	**AVERAGE CONSUMER**
BY REGION:			
NORTHEAST	$29,600 (59)	$27,395 (23)	$31,451 (35)
SOUTH ATLANTIC	22,852 (18)	22,245 (12)	24,065 (6)
NORTH CENTRAL	24,741 (25)	24,087 (18)	26,423 (7)
SOUTH CENTRAL	19,377 (7)	20,250 (2)	19,750 (4)
WESTERN	26,312 (28)	19,342 (12)	31,540 (16)
BY SEX:			
FEMALE	$24,500 (101)	$22,951 (58)	$27,114 (41)
MALE	32,746 (35)	30,500 (8)	33,411 (27)
BY YEARS IN BUSINESS:			
UP TO 3 YEARS	$20,320 (55)	$20,030 (26)	$20,932 (27)
4–10	29,451 (57)	25,212 (25)	32,763 (32)
11–20	34,224 (17)	29,460 (10)	41,029 (7)
OVER 20	40,000 (5)	31,750 (4)	73,000 (1)
BY NO. OF EMPLOYEES SUPERVISED:			
NONE	$20,387 (43)	$20,399 (20)	$20,810 (21)
ONE/2	26,790 (43)	24,605 (20)	28,691 (23)
3–10	30,920 (42)	24,854 (21)	36,986 (21)
OVER 10	38,233 (8)	33,132 (5)	46,733 (3)
RESPONSIBLE FOR:			
ONE MAGAZINE	$21,603 (57)	$21,134 (32)	$22,759 (23)
MORE THAN ONE MAGAZINE	30,215 (80)	26,483 (35)	33,119 (45)
BY CIRCULATION:†			
TO 19,999	$18,449 (19)	$19,056 (14)	$16,900 (4)
20,000–49,999	20,838 (21)	22,062 (12)	19,205 (9)
50,000–99,999	24,056 (34)	25,538 (24)	21,056 (9)
100,000–499,999	29,421 (38)	25,184 (15)	32,184 (23)
500,000 AND OVER	36,984 (25)	40,500 (2)	36,678 (23)
BY FREQUENCY:†			
WEEKLY	$26,000 (9)	$26,500 (5)	$28,667 (3)
MONTHLY	26,333 (87)	22,384 (46)	30,763 (41)
BIMONTHLY	28,250 (8)	28,250 (8)	0 (0)
OTHER	27,426 (32)	26,875 (8)	28,108 (23)
BY TYPE OF CIRCULATION:†			
PAID	$30,134 (73)	$25,829 (20)	$32,059 (52)
NONPAID	22,638 (64)	23,119 (47)	21,669 (16)

†Refers to the largest circulation magazine on which respondent works

Source: Robert Steed: Human Resource Services

TYPES OF MEDIA USED FOR CIRCULATION PROMOTION



keep.

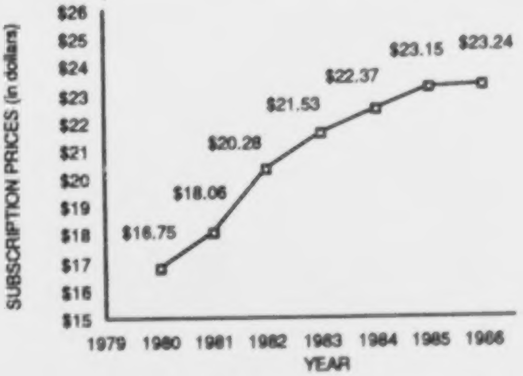
Source: DMA Research Department

1986

SUBSCRIPTION PRICE TRENDS

update

Following a significant price jump from 1980 to 1982, subscription prices have held steady for several years. Several sources indicate that another price jump may be in the offing as publishers feel the pressure from mounting postage and paper costs.

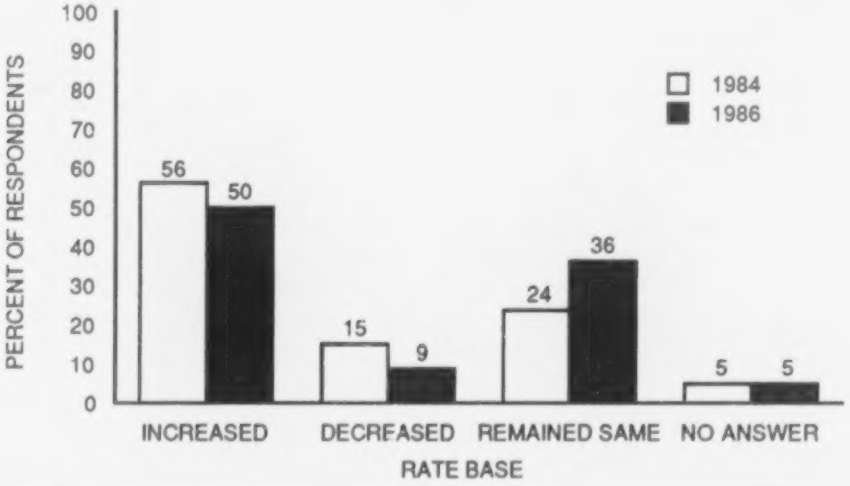


Source: Magazine Publishers Association

STATUS OF CIRCULATION RATE BASE

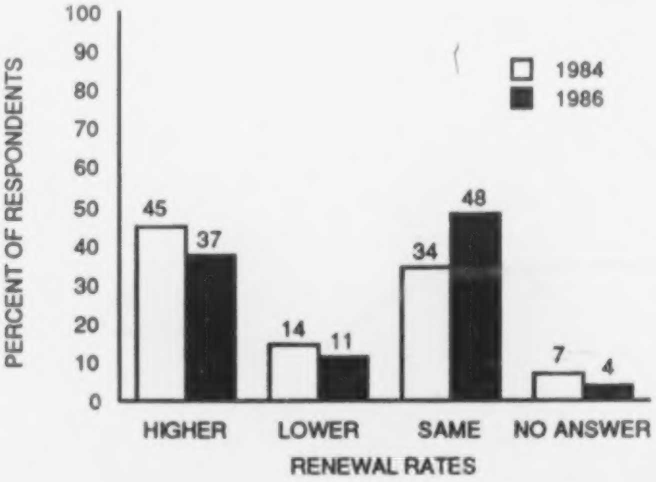
Keep

Rate base = # of people contacted each year. This # is used to determine CPM, the ad expenditure cost.



Source: DMA Research Department, 1986 Periodical Publications Survey

STATUS OF DIRECT RENEWAL RATES COMPARED TO A PREVIOUS YEAR



Source: DMA Research Department, 1986 Periodical Publications Survey

NEW BUSINESS PROMOTION SOURCES USED

This section concentrates on the important issue of new business sources used for soliciting new publication subscriptions.

DIRECT MAIL

Year	1982	1984	1986
N = Sample Size	(81)	(103)	(279)
USAGE	80%	89%	85%
FIRST TIME	1%	2%	8%
VOLUME			
MORE	63%	57%	50%
LESS	6%	10%	13%
SAME	29%	30%	34%
NO ANSWER	1%	3%	3%
RESPONSE			
BETTER	38%	31%	45%
WORSE	24%	36%	22%
SAME	39%	30%	30%
NO ANSWER	2%	3%	4%

BLOW-INS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	47%	51%	38%
FIRST TIME	3%	10%	5%
VOLUME			
MORE	28%	34%	34%
LESS	4%	9%	11%
SAME	60%	53%	52%
NO ANSWER	4%	4%	4%
RESPONSE			
BETTER	43%	21%	37%
WORSE	17%	26%	12%
SAME	32%	49%	49%
NO ANSWER	4%	4%	3%

BIND-INS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	78%	67%	65%
FIRST TIME	5%	4%	4%
VOLUME			
MORE	37%	32%	28%
LESS	10%	7%	6%
SAME	49%	57%	63%
NO ANSWER	5%	3%	3%
RESPONSE			
BETTER	38%	25%	35%
WORSE	16%	19%	9%
SAME	37%	50%	52%
NO ANSWER	6%	6%	3%

Source: DMA Research Department, Circulation Council, June 1987

New Business Promotion Sources cont'd.

MAGAZINE SPACE

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	67%	59%	56%
FIRST TIME	6%	5%	6%
VOLUME			
MORE	20%	22%	29%
LESS	20%	19%	13%
SAME	52%	52%	54%
NO ANSWER	6%	7%	4%
RESPONSE			
BETTER	15%	21%	24%
WORSE	6%	19%	14%
SAME	56%	52%	57%
NO ANSWER	7%	9%	5%

GIFTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	61%	51%	34%
FIRST TIME	—	4%	5%
VOLUME			
MORE	51%	52%	46%
LESS	6%	13%	6%
SAME	33%	31%	45%
NO ANSWER	2%	4%	3%
RESPONSE			
BETTER	59%	46%	37%
WORSE	10%	15%	15%
SAME	24%	35%	46%
NO ANSWER	6%	4%	2%

CATALOG AGENTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	59%	51%	31%
FIRST TIME	—	6%	2%
VOLUME			
MORE	17%	8%	8%
LESS	10%	10%	5%
SAME	65%	80%	86%
NO ANSWER	8%	2%	1%
RESPONSE			
BETTER	19%	6%	10%
WORSE	8%	14%	8%
SAME	54%	72%	80%
NO ANSWER	19%	8%	2%

Source: DMA Research Department, Circulation Council, June 1987

New Business Promotion Sources cont'd.

TELEPHONE—OUTBOUND

N =	1982 (81)	1984 (103)	1986 (279)
USAGE	43%	46%	29%
FIRST TIME	16%	23%	32%
VOLUME			
MORE	30%	61%	52%
LESS	12%	6%	9%
SAME	30%	28%	32%
NO ANSWER	2%	5%	7%
RESPONSE			
BETTER	30%	44%	41%
WORSE	14%	14%	18%
SAME	30%	36%	34%
NO ANSWER	23%	5%	7%

SCHOLASTIC PLANS

N =	1982 (81)	1984 (103)	1986 (279)
USAGE	35%	32%	23%
FIRST TIME	7%	3%	8%
VOLUME			
MORE	17%	19%	21%
LESS	—	19%	10%
SAME	71%	59%	67%
NO ANSWER	7%	3%	2%
RESPONSE			
BETTER	21%	16%	33%
WORSE	11%	16%	16%
SAME	50%	59%	50%
NO ANSWER	18%	9%	2%

DIRECT MAIL AGENTS

N =	1982 (81)	1984 (103)	1986 (279)
USAGE	57%	46%	22%
FIRST TIME	—	2%	3%
VOLUME			
MORE	50%	28%	19%
LESS	11%	11%	22%
SAME	37%	55%	58%
NO ANSWER	4%	4%	2%
RESPONSE			
BETTER	54%	26%	29%
WORSE	4%	15%	15%
SAME	28%	45%	53%
NO ANSWER	13%	13%	3%

Source: DMA Research Department, Circulation Council, June 1987

New Business Promotion Sources cont'd.

CO-OP MAILINGS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	27%	19%	15%
FIRST TIME	23%	35%	24%
VOLUME			
MORE	36%	38%	53%
LESS	5%	15%	16%
SAME	32%	46%	28%
NO ANSWER	5%	—	3%
RESPONSE			
BETTER	27%	31%	34%
WORSE	—	23%	22%
SAME	41%	46%	41%
NO ANSWER	9%	—	3%

CASH FIELD ACCOUNTS

Cash Field Account—An agency that undertakes to sell magazine subscriptions through sales people who contact their prospects door-to-door. Sales people collect payment, send pertinent information to the publisher, and keep a portion of the revenue as commission.

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	25%	18%	11%
FIRST TIME	5%	—	7%
VOLUME			
MORE	15%	26%	11%
LESS	10%	26%	14%
SAME	65%	42%	71%
NO ANSWER	5%	5%	4%
RESPONSE			
BETTER	15%	21%	11%
WORSE	20%	21%	4%
SAME	55%	47%	82%
NO ANSWER	10%	11%	4%

RADIO

	1982	1984*	1986
N =	(81)	(103)	(279)
USAGE	6%	8%	10%
FIRST TIME	—	63%	25%
VOLUME			
MORE	3%	—	33%
LESS	1%	—	19%
SAME	1%	67%	48%
NO ANSWER	1%	33%	—
RESPONSE			
BETTER	1%	—	24%
WORSE	2%	33%	14%
SAME	1%	33%	57%
NO ANSWER	2%	33%	5%

*Base very small (3)

Source: DMA Research Department, Circulation Council, June 1987

New Business Promotion Sources cont'd.

NEWSPAPER INSERTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	17%	16%	9%
FIRST TIME	21%	31%	25%
VOLUME			
MORE	29%	36%	56%
LESS	21%	27%	—
SAME	29%	27%	39%
NO ANSWER	—	9%	6%
RESPONSE			
BETTER	—	27%	44%
WORSE	36%	18%	17%
SAME	36%	45%	28%
NO ANSWER	7%	9%	11%

NEWSPAPER SPACE

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	—	15%	9%
FIRST TIME	—	7%	13%
VOLUME			
MORE	—	21%	38%
LESS	—	36%	10%
SAME	—	29%	43%
NO ANSWER	—	14%	10%
RESPONSE			
BETTER	—	14%	19%
WORSE	—	21%	29%
SAME	—	50%	43%
NO ANSWER	—	14%	10%

CABLE TV

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	—	19%	7%
FIRST TIME	—	25%	30%
VOLUME			
MORE	—	33%	50%
LESS	—	7%	21%
SAME	—	33%	21%
NO ANSWER	—	27%	7%
RESPONSE			
BETTER	—	33%	43%
WORSE	—	—	43%
SAME	—	47%	14%
NO ANSWER	—	20%	—

Source: DMA Research Department, Circulation Council, June 1987

New Business Promotion Sources cont'd.

TV—NETWORK/LOCAL

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	22%	17%	7%
FIRST TIME	11%	6%	32%
VOLUME			
MORE	44%	29%	46%
LESS	22%	29%	38%
SAME	22%	29%	15%
NO ANSWER	—	12%	—
RESPONSE			
BETTER	28%	24%	31%
WORSE	39%	24%	46%
SAME	17%	41%	23%
NO ANSWER	5%	12%	—

PAID DURING SERVICE (PDS) AGENTS

PDS—term used to describe a method of paying for magazine subscriptions in installments, usually weekly or monthly, and usually collected in person by the original sales person or a representative of that company.

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	15%	12%	6%
FIRST TIME	6%	8%	11%
VOLUME			
MORE	1%	18%	19%
LESS	1%	27%	19%
SAME	6%	36%	56%
NO ANSWER	1%	18%	6%
RESPONSE			
BETTER	3%	9%	13%
WORSE	2%	27%	6%
SAME	5%	45%	81%
NO ANSWER	2%	18%	—

Source: DMA Research Department, Circulation Council, June 1987

NUMBER OF SUBSCRIPTIONS SOLD BY CHANNEL OF DISTRIBUTION: 1982A–1987B

(CIRCULATION IN 000'S)

	1982A	1982B	1983A	1983B	1984A	1984B	1985A	1985B	1986A	1986B	1987A	1987B
MAIL/DIRECT REQUEST	70,966	79,031	80,161	82,382	91,523	90,655	95,112	94,151	88,606	94,532	96,427,677	99,595,685
CATALOG AGENCIES	1,448	2,494	1,386	2,005	1,360	2,438	1,512	2,344	1,543	2,264	1,418,213	2,459,413
PUBLISHER'S OWN	1,685	1,680	1,755	1,718	1,654	1,455	1,290	998	917	1,128	1,317,764	1,444,411
INDEPENDENTS	3,130	3,120	3,016	3,388	3,645	3,619	3,874	3,737	4,054	3,792	4,851,334	4,006,107
NEWSPAPER AGENCIES	26	36	14	27	13	19	14	23	41	21	13,004	21,307
SCHOOL, CHURCHES, ETC	2,625	5,912	2,641	5,713	2,475	5,366	2,630	5,409	2,412	5,508	2,405,434	5,910,207
ASSOCIATION MEMBERSHIPS	16,820	21,072	21,119	19,527	20,112	21,882	21,656	26,700	27,984	26,152	27,562,743	30,153,998
ALL OTHER CHANNELS	1,397	4,084	1,513	4,050	1,212	3,816	1,247	3,965	1,410	3,845	1,485,151	1,903,629
TOTAL	98,097	117,429	111,605	118,810	121,994	129,250	127,335	137,327	126,967	137,242	135,481,320	145,494,757

A = January–June
B = July–December

Source: Competitive Publishing Hotline, David Foster, Inc. 1988

SUBSCRIPTIONS SOLD BY CHANNEL OF DISTRIBUTION PERCENT OF TOTAL: 1982A–1987B

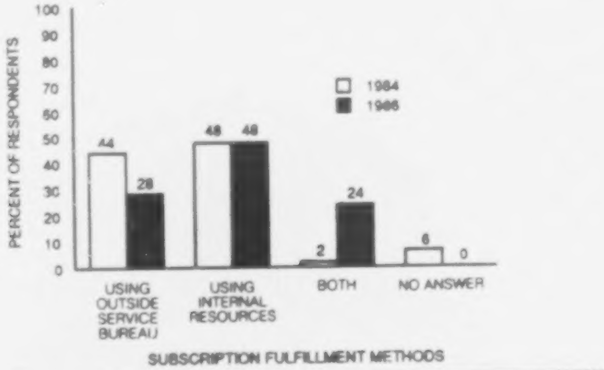
	1982A	1982B	1983A	1983B	1984A	1984B	1985A	1985B	1986A	1986B	1987A	1987B
MAIL/DIRECT REQUEST	72.34%	67.30%	71.83%	69.34%	75.02%	70.14%	74.69%	68.56%	69.79%	68.75%	71.17%	68.45%
CATALOG AGENCIES	1.48%	2.12%	1.24%	1.69%	1.11%	1.89%	1.19%	1.71%	1.22%	1.84%	1.05%	1.69%
PUBLISHER'S OWN	1.72%	1.43%	1.57%	1.45%	1.36%	1.13%	1.01%	0.73%	0.72%	0.83%	0.97%	0.99%
INDEPENDENTS	3.19%	2.66%	2.70%	2.85%	2.99%	2.80%	3.04%	2.72%	3.19%	2.77%	3.58%	2.75%
NEWSPAPER AGENCIES	0.03%	0.03%	0.01%	0.02%	0.01%	0.01%	0.01%	0.02%	0.03%	0.05%	0.01%	0.01%
SCHOOL, CHURCHES, ETC	2.68%	5.03%	2.37%	4.81%	2.03%	4.15%	2.07%	3.94%	1.90%	4.00%	1.78%	4.06%
ASSOCIATION MEMBERSHIPS	17.15%	17.94%	18.92%	16.44%	16.49%	16.93%	17.01%	19.44%	22.04%	19.09%	20.34%	20. 3%
ALL OTHER CHANNELS	1.42%	3.48%	1.36%	3.41%	0.99%	2.95%	0.98%	2.89%	1.11%	2.65%	1.10%	1.31%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

A = January–June
B = July–December

Source: Competitive Publishing Hotline: David Foster & Associates, Inc. 1988

METHOD OF PERFORMING SUBSCRIPTION FULFILLMENT FUNCTIONS

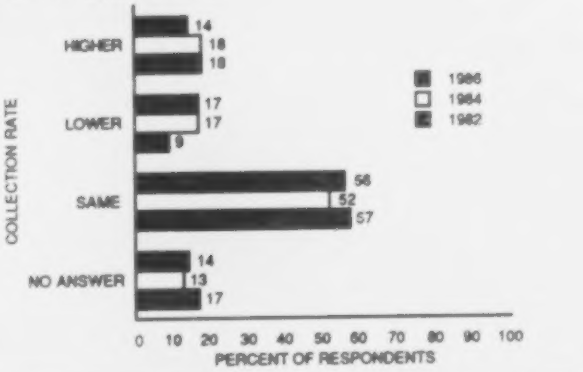
The DMA Circulation Council's 1986 Periodical Publications Survey, was conducted by mail in June 1987 among 1,535 publications. An 18% response rate was achieved.



Source: DMA Research Department, June 1987

Keep.

STATUS OF COLLECTION RATE ON CREDIT ORDERS COMPARED WITH PREVIOUS YEAR



Source: DMA Research Department, June 1987

Keep.

FUTURE PLANS FOR PERIODICAL PUBLISHERS

FUTURE PLANS	1982	1984	1986
INCREASE THE NUMBER OF TITLES	36%	38%	34%
DECREASE THE NUMBER OF TITLES	–	3%	1%
NO CHANGE	63%	56%	67%
NO ANSWER	1%	3%	1%

Source: DMA Research Department, June 1987

drop

• CONTINUITY CLUBS

BUYING HABITS

TRENDS

RECORDS AND TAPES

Where Bought > Simmons methodology

	Total U.S.	Buy Records and Tapes		By Mail or Phone From TV Offer		Other Mail Order		Record and Tape Club	
	'000	'000	%	'000	%	'000	%	'000	%
Total Adults	173681	75355	43.4	5131	3.0	3777	2.2	8646	5.0
Males	82598	34773	42.1	1906	2.3	1543	1.9	3925	4.8
Females	91083	40582	44.6	3224	3.5	2234	2.5	4720	5.2
18–24	27154	15331	56.5	*638	2.3	*485	1.8	2159	8.0
25–34	42000	22972	54.7	1312	3.1	878	2.1	2994	7.1
35–44	32529	16602	51.0	1041	3.2	783	2.4	1791	5.5
45–54	22698	8762	38.6	563	2.5	*492	2.2	842	3.7
55–64	21980	6775	30.8	811	3.7	*515	2.3	*559	2.5
65 of older	27319	4911	18.0	765	2.8	625	2.3	*301	1.1
Northeast-Census	37504	16219	43.2	859	2.0	872	2.3	1763	4.7
Midwest	42665	18836	44.1	1452	3.4	1025	2.4	2580	6.0
South	59354	23495	39.6	1703	5.0	906	1.5	2385	4.0
West	34158	16805	49.2	1117	3.3	975	2.9	1918	5.6
Northeast-Mktg.	39000	17615	45.2	865	2.2	777	2.0	1639	4.2
East Central	24545	10771	43.9	826	3.4	678	2.8	1644	6.7
West Central	28615	12607	44.1	947	3.3	682	2.4	1619	5.7
South	51567	19365	37.6	1565	3.3	767	1.5	2025	3.9
Pacific	29953	14996	50.1	928	3.1	873	2.9	1719	5.7
Metro Central City	53046	23078	43.5	1203	2.2	1126	2.1	2402	4.5
Suburban	80473	36282	45.1	2285	2.6	1793	2.2	4132	5.1
Nonmetro	40161	15995	39.8	1642	4.1	858	2.1	2112	5.3
Household income $60,000 +	16548	8763	53.0	**309	1.9	*418	2.5	981	5.9
$50,000 or more	26626	14296	53.7	631	2.4	*626	2.4	1625	6.1
$40,000 or more	47419	25082	52.9	1242	2.6	1278	2.7	2565	5.4
$30,000 or more	76841	39909	52.0	2155	2.8	1917	2.5	4409	5.7
$30,000–$39,999	29422	14827	50.4	913	3.1	639	2.1	1845	6.3
$20,000–$29,999	35594	16060	45.1	1223	3.4	966	2.7	1971	5.5
$10,000–$19,999	36140	12846	35.5	1248	3.5	661	1.8	1345	3.7
Under $10,000	25107	6540	26.0	505	2.0	*234	0.9	921	3.7

* Projection Relatively Unstable Because of Sample Base—Use With Caution.
**Number of Cases Too Small for Reliability—Shown for Consistency Only.

Source: Simmons Market Research Bureau, Inc. 1987

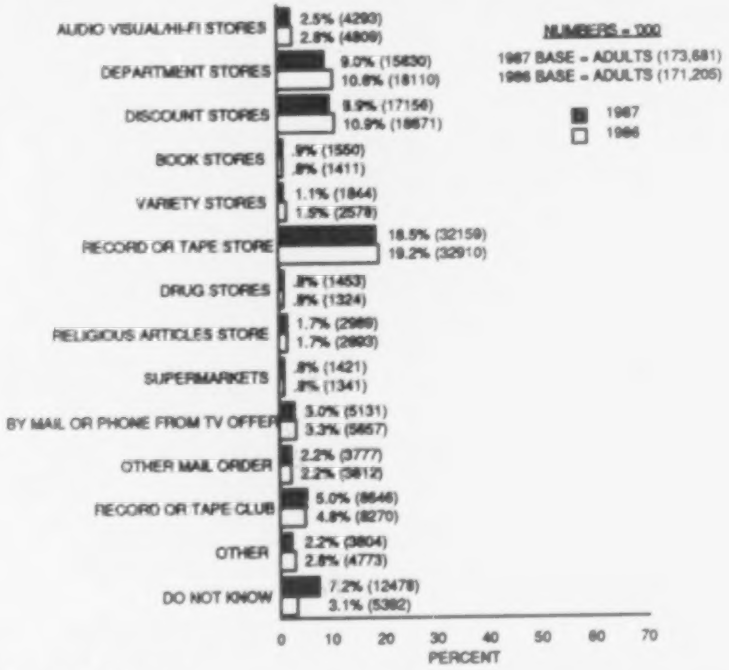
left space

CONTINUITY CLUBS/BUYING HABITS

RECORDS AND TAPES

enlarge
delete # in sample

Where did you buy your records or pre-recorded tapes in the last 12 months?



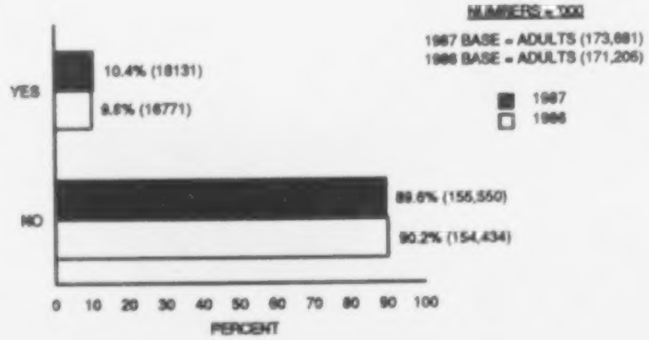
Note: Number in ( ) is in '000.

Source: Simmons Market Research Bureau, Inc., 1986 & 1987

BOOK CLUBS

delete

Do you yourself currently belong to any book clubs?



Note: Number in ( ) is in '000.

Source: Simmons Market Research Bureau, Inc., 1986 & 1987

update

BOOK CLUBS

Bold Type #'s + % = 1987
Regular Type #'s + % = 1986

	Total U.S. '000	Belong to a Book Club '000	Belong to a Book Club %	Males '000	Males %	Females '000	Females %
Total Adults	**173681**	**18131**	**10.4**	**7256**	**4.2**	**10874**	**6.3**
	171205	16771	9.8	7119	4.2	9652	5.6
Males	**82596**	**7256**	**8.8**	**7256**	**8.8**	****0**	**0.0**
	80940	7119	8.8	7119	8.8	**0	0.0
Females	**91083**	**10874**	**11.9**	****0**	**0.0**	**10874**	**11.9**
	90265	9652	10.7	**0	0.0	9652	10.7
18–24	**21754**	**3143**	**11.6**	**1166**	**4.3**	**1977**	**7.3**
	28015	2447	8.7	1125	4.0	1321	4.7
25–34	**42000**	**5177**	**12.3**	**2095**	**5.0**	**3082**	**7.3**
	40789	4675	11.5	1183	4.6	2792	6.8
35–44	**32529**	**3333**	**10.2**	**1470**	**4.5**	**1863**	**5.7**
	30748	3765	12.2	1474	4.8	2292	7.5
45–54	**22698**	**2231**	**9.8**	**886**	**3.9**	**1345**	**5.9**
	22492	2341	10.4	1104	4.9	1237	5.5
55–65	**21980**	**2393**	**10.9**	**1075**	**4.9**	**1318**	**6.0**
	22214	1860	8.4	770	3.5	1089	4.9
65 or older	**27319**	**1854**	**6.8**	**564**	**2.1**	**1289**	**4.7**
	26947	1683	6.2	764	2.8	920	3.4
Northeast-Census	**37504**	**3637**	**9.7**	**1393**	**3.7**	**2244**	**6.0**
	37661	3651	9.7	1541	4.1	2110	5.6
Midwest	**42665**	**3992**	**9.4**	**1350**	**3.2**	**2641**	**6.2**
	42621	3975	9.3	1411	3.3	2564	6.0
South	**59354**	**7292**	**12.3**	**3186**	**5.4**	**4106**	**6.9**
	58120	5971	10.3	2898	5.0	3073	5.3
West	**34158**	**3210**	**9.4**	**1327**	**3.9**	**1883**	**5.5**
	32803	3174	9.7	1269	3.9	1905	5.8
Northeast-Mktg.	**39000**	**5177**	**13.3**	**2234**	**5.7**	**2943**	**7.5**
	38874	4579	11.8	2187	5.6	2393	6.2
East Central	**24545**	**2240**	**9.1**	**675**	**2.8**	**1565**	**6.4**
	24736	2274	9.2	735	3.0	1539	6.2
West Central	**28615**	**2743**	**9.6**	**1023**	**3.6**	**1720**	**6.0**
	28455	2607	9.2	959	3.4	1648	5.8
South	**51567**	**5180**	**10.0**	**2180**	**4.2**	**3001**	**5.8**
	50124	4505	9.0	2180	4.3	2325	4.6
Pacific	**29953**	**2790**	**9.3**	**1145**	**3.8**	**1645**	**5.5**
	29016	2805	9.7	1058	3.6	1747	6.0
Metro Central City	**53046**	**5901**	**11.1**	**2349**	**4.4**	**3551**	**6.7**
	51456	5401	10.5	2638	5.1	2763	5.4
Suburban	**80473**	**9130**	**11.3**	**3783**	**4.7**	**5347**	**6.6**
	78160	8174	10.5	3332	4.3	4842	6.2
Nonmetro	**40161**	**3100**	**7.7**	**1124**	**2.8**	**1976**	**4.9**
	41589	3197	7.7	1149	2.8	2048	4.9
Household income $60,000 +	**16548**	**2328**	**14.1**	**1211**	**7.3**	**1116**	**6.7**
	15134	2019	13.3	1018	6.7	1001	6.6
$50,000 or more	**26626**	**3874**	**14.5**	**1877**	**7.0**	**1998**	**7.5**
	23947	2989	12.5	1447	6.0	1542	6.4
$40,000 or more	**47419**	**6480**	**13.7**	**3025**	**6.4**	**3455**	**7.3**
	43026	4945	11.5	2204	5.1	2741	6.4
$30,000 or more	**76841**	**10244**	**13.3**	**4419**	**5.8**	**5825**	**7.6**
	70000	8000	11.4	3588	5.1	4412	6.3
$30,000–$39,999	**29422**	**3765**	**12.8**	**1395**	**4.7**	**2370**	**8.1**
	26975	3055	11.3	1384	5.1	1671	6.2
$20,000–$29,999	**35594**	**3591**	**10.1**	**1299**	**3.6**	**2292**	**6.4**
	36222	3746	10.3	1658	4.6	2088	5.8
$10,000–19,999	**36140**	**3076**	**8.5**	**1236**	**3.4**	**1840**	**5.1**
	38896	3424	8.8	1292	3.3	2132	5.5
Under $10,000	**25107**	**1220**	**4.9**	***302**	**1.2**	**917**	**3.7**
	26087	1601	6.1	*581	2.2	1020	3.9

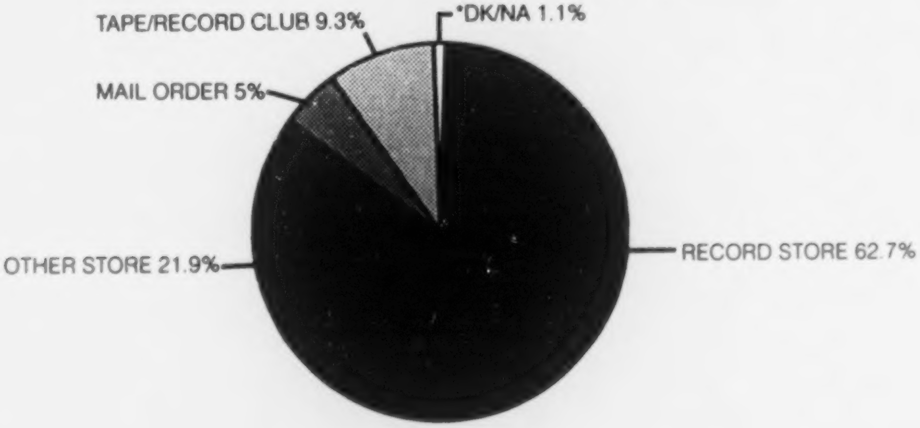
* Projection relatively unstable because of sample base use w/caution.
**Number of cases too small for reliability—shown for consistancy only.

Source: Simmons Market Research Bureau, Inc. 1986 & 1987

TYPE OF OUTLET FROM WHICH RECORDS AND PRERECORDED TAPES WERE PURCHASED BASED ON DOLLAR VOLUME 1986

update

The Chilton Market Research Services conducted personal interviews every month in 1986 among 1,250 males and females. Consumer Purchasing habits are shown in the following (2) charts.

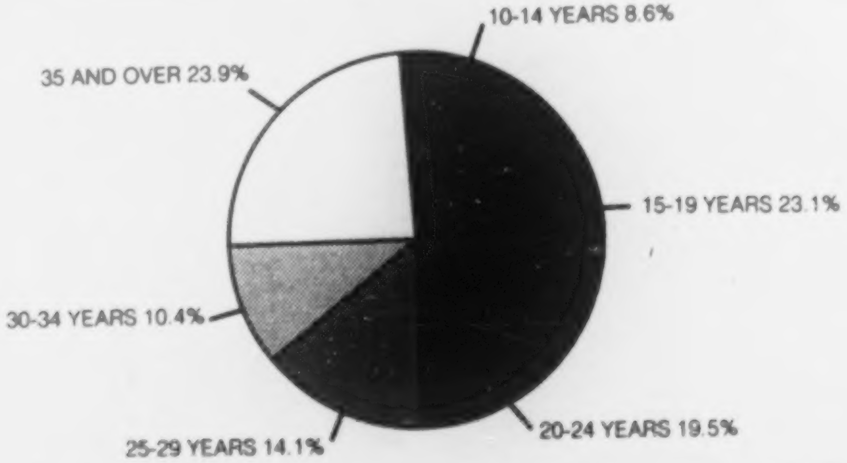


*DK/NA = DON'T KNOW/NOT AVAILABLE

Source: Recording Industry Association of America, "Inside the Recording Industry: A Statistical Overview—1987 Update."

TOTAL RECORDS AND PRERECORDED TAPES PURCHASED BY AGE BASED ON DOLLAR VOLUME 1986

More than half of the dollars spent in 1986 were by consumers under the age of 25.

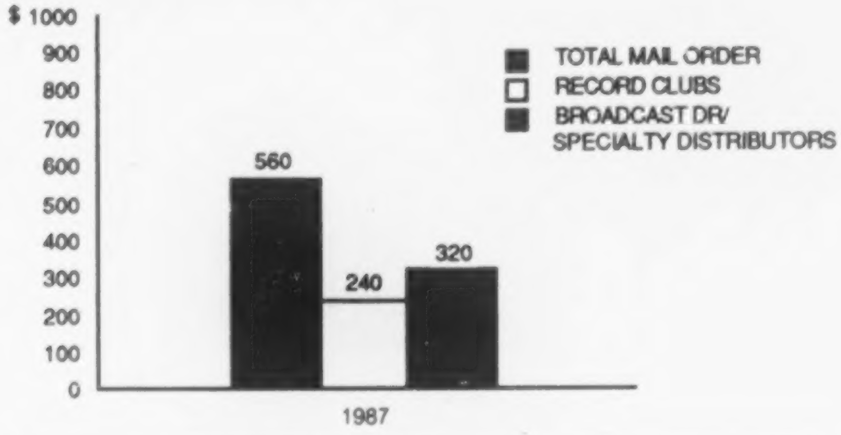


Keep?

Source: Recording Industry Association of America, "Inside the Recording Industry: A Statistical Overview—1987 Update."

1987 MAIL ORDER RECORD MARKET SALES BY TOTALS AND SUB-SEGMENT

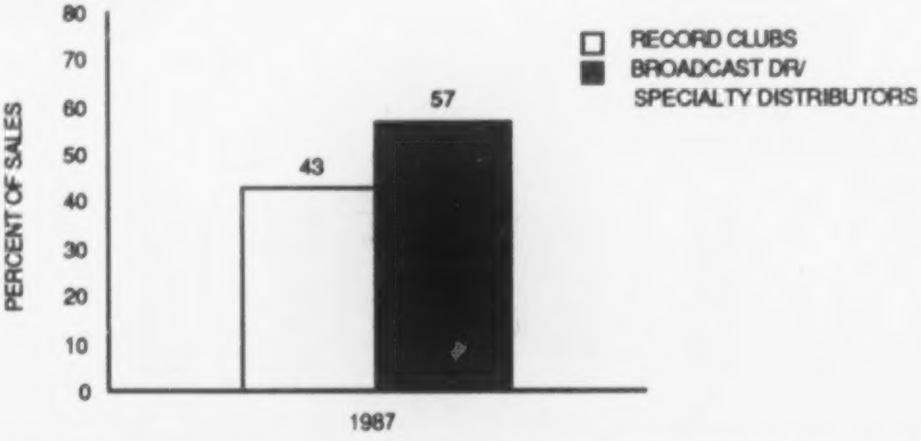
(IN MILLION $)



Source: Arnold Fishman, Marketing Logistics, 1987

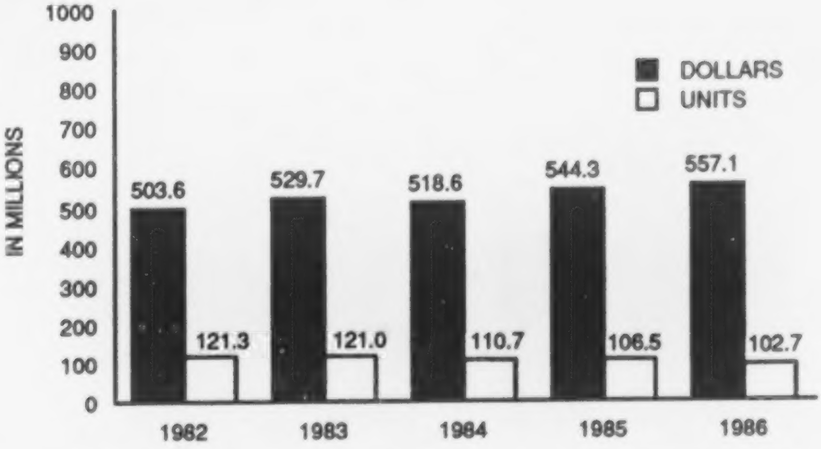
1987 PERCENT OF MAIL ORDER RECORD MARKET SALES

delete.



Source: Arnold Fishman, Marketing Logistics, 1987.

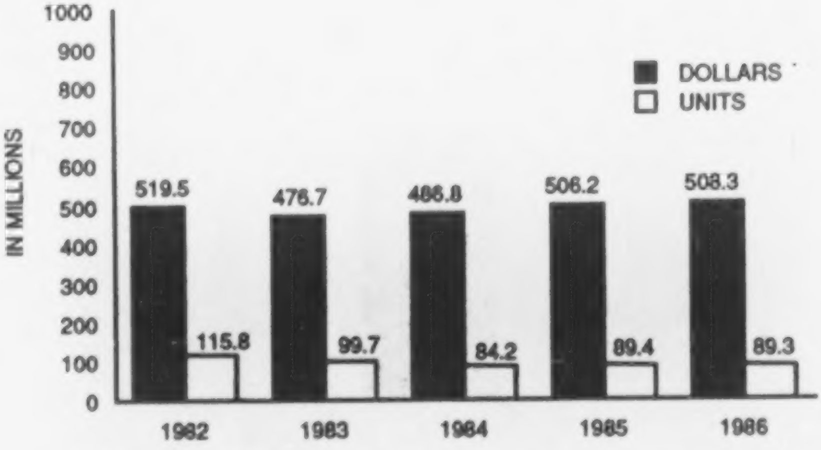
BOOK CLUB SALES 1982–1986
IN DOLLARS AND UNITS



Source: Book Industry Study Group, "Book Industry Trends," 1987

MAIL ORDER PUBLICATION SALES 1982–1986
IN DOLLARS AND UNITS

Clarify

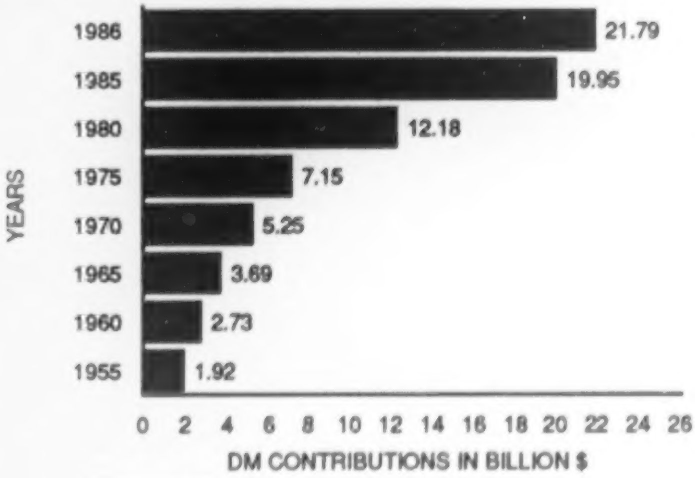


Source: Book Industry Study Group, "Book Industry Trends," 1987.

• NON-PROFIT

TRENDS

GROWTH OF DIRECT MAIL PHILANTHROPY
1955–1986 (IN BILLION $)



update.

Source: American Association of Fund Raising Counsel, Inc., 1987

ESTIMATED DIRECT MAIL
CHARITABLE CONTRIBUTIONS
1983–1986

	(IN BILLION $)				% GROWTH RATE OF CONTRIBUTIONS FROM 1983 TO 1986
	1983	1984	1985	1986	
RELIGION	$ 7.75	$ 8.89	$ 9.43	$10.22	31.9%
EDUCATION	2.26	2.52	2.76	3.18	40.7
HEALTH & HOSPITALS	2.29	2.61	2.81	3.06	33.6
SOCIAL SERVICES	1.73	2.00	2.14	2.28	31.8
ARTS & HUMANITIES	1.02	1.16	1.27	1.46	43.1
CIVIC & PUBLIC	.45	.52	.56	.59	31.1
OTHER	.72	.86	.98	1.00	38.9
TOTAL	16.22	18.56	19.95	21.79	34.3%

Direct mail charitable contributions are estimated at 24.99% of total charitable contributions.

Source: American Association of Fund Raising Counsel, Inc "Giving USA—1987 Annual Report."

SUCCESS OF LISTS FOR ACQUIRING NEW DONORS
(AMONG ARTS ORGANIZATIONS)

delete
art org.

The DMA Direct Mail Donor Acquisition Survey for Art Organizations was conducted by mail in June 1985 among 182 art organizations. A 48% response rate was achieved.

	UNSUCCESSFUL 1	2	3	4	VERY SUCCESSFUL 5
IN-HOUSE PROSPECT LIST	1%	6%	25%	31%	38%
EXCHANGED DONOR LIST FROM AN ART ORGANIZATION					
SAME GENRE	8%	13%	30%	37%	11%
DIFFERENT GENRE	15%	29%	39%	13%	3%
EXCHANGED PROSPECT LIST FROM AN ART ORGANIZATION					
SAME GENRE	13%	27%	32%	26%	2%
DIFFERENT GENRE	24%	35%	30%	9%	2%
RENTED LISTS					
MAGAZINE SUBSCRIBERS	50%	15%	31%	2%	2%
CREDIT CARD OWNER	61%	21%	15%	3%	0%
COMPILED LIST BY COMMON INTEREST	30%	34%	19%	13%	4%
MAIL ORDER BUYERS	41%	39%	15%	5%	0%

Source: DMA Research Department, 1985

delete

OFFERS INCLUDED IN A "TYPICAL" DIRECT MAIL ACQUISITION CAMPAIGN TO ELICIT DONATIONS

Type of Offer	Percent
LISTING AS DONOR IN PLAYBILL OR ANNUAL REPORT	75%
INVITATIONS TO PARTIES	72%
PUBLICATIONS	68%
EARLY ACCESS TO TICKETS	43%
INVITATIONS TO OPEN REHEARSALS	40%
PREMIUMS*	39%
PRIORITY SEATING	37%
INVITATIONS TO LECTURES	36%
REDUCED TICKET PRICE/ENTRANCE FEE	33%
FREE TICKETS	32%
DISCOUNT ON PRODUCTS	29%
PRIORITY SUBSCRIPTION	18%
DISCOUNT ON SERVICES	16%
OTHER**	11%

*Premiums mentioned include posters, mugs, albums, tote bags, pens and books.

**Other offers included priority/free parking and free drinks at bar.

Source: DMA Research Department, 1985

• EDUCATION

COSTS

TRENDS

PERCENTAGE OF COLLEGE AND UNIVERSITY ADVERTISING BUDGETS SPENT ON VARIOUS MEDIA

The Journal of Direct Marketing's "Direct Mail Marketing in Higher Education," Vol. 1, No. 2 by Helen M. Burdinski and William L. Shanklin was conducted by Mail Survey in Spring 1987 among 400 college/universities. A 52% response rate was achieved.

	% of Advertising Budget		
TYPE OF MEDIA	**LARGE UNIVERSITIES**	**MEDIUM-SIZED UNIVERSITIES**	**SMALL COLLEGES**
DIRECT MAIL	24.7%	24.1%	32.1%
MAGAZINES	3.8	5.2	20.5
NEWSPAPERS	41.6	34.9	39.0
OUTDOOR	4.6	4.5	1.4
RADIO	35.6	14.6	11.4
TELEVISION	7.3	16.7	4.7
TRANSIT	0.7	0.2	1.1

size of
universities
needs a key

*These columns do not total 100% because the cells indicate mean or average responses across all respondents. For instance, on average, the large institutions spent 24.7% of their total advertising budget on direct mail.

Source: Journal of Direct Marketing, Helen M. Burdenski & William L. Shanklin, 1987

MOST EFFECTIVE ADVERTISING MEDIA AS RATED BY COLLEGE/UNIVERSITY PRESIDENTS AND ADVERTISING PERSONNEL

Note: 1 = best 2 = second best, etc.

The Journal of Direct Marketing's "Direct Mail Marketing in Higher Education," Vol. 1, No. 2 by Helen M. Burdinski and William L. Shanklin was conducted by Mail Survey in Spring 1987 among 400 college/universities. A 52% response rate was achieved.

TYPE OF MEDIA	PRESIDENTS	ADVERTISING PERSONNEL
DIRECT MAIL	1	1
NEWSPAPERS	2	2
RADIO	3	3
TELEVISION	4	4
MAGAZINES	5	5
OUTDOOR	6	6
TRANSIT	7	7

Source: Journal of Direct Marketing, Helen M. Burdenski & William L. Shanklin, 1987

delete

FEATURES EMPHASIZED IN ADVERTISING BY COLLEGES AND UNIVERSITIES

FEATURE	LARGE UNIVERSITIES	MEDIUM-SIZED UNIVERSITIES	SMALL COLLEGES
ACADEMIC REPUTATION*	90.9%	90.9%	78.7%
COURSE OFFERINGS	59.1	68.2	44.3
FACULTY REPUTATION	40.9	77.3	45.5
FACULTY/STUDENT RELATIONSHIPS	31.8	72.7	79.3
LOW COSTS	36.4	45.5	28.1
FRIENDLY	72.7	77.3	76.9
SMALL CLASSES	27.3	68.2	75.2
RELIGIOUS ORIENTATION	9.1	13.6	43.0
SAFE CAMPUS	18.2	4.5	14.9

*Read: 90.9% of the universities with a student body of 10,000 or more undergraduates emphasize their academic reputation as a key selling point or benefit in their direct mail literature to prospective students.

Source: Journal of Direct Marketing, Helen M. Burdenski & William L. Shanklin, 1987

Keep
add
Key

• NEW MARKETS

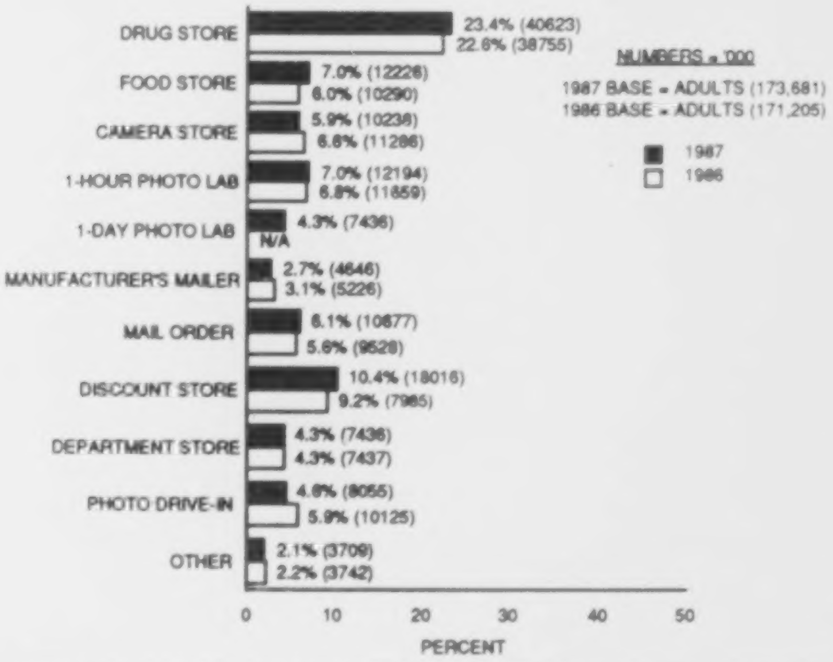
BUYING HABITS

TRENDS

FILM PROCESSING

The 1987 Simmon's Study of Media and Markets was conducted in 4 procedures: personal interviews, self-administered questionnaires, separate diary, and telephone interviews conducted during August 4, 1986 through June 5, 1987 among 19,124 adults.

Where do you take or send your film for processing?

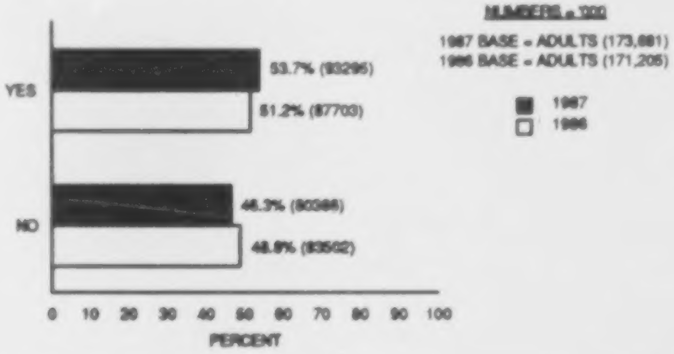


See
but not
in
fact book

Source: Simmons Market Research Bureau, Inc., 1986 & 1987

FILM PROCESSING

Do you yourself take or send out your film for processing?

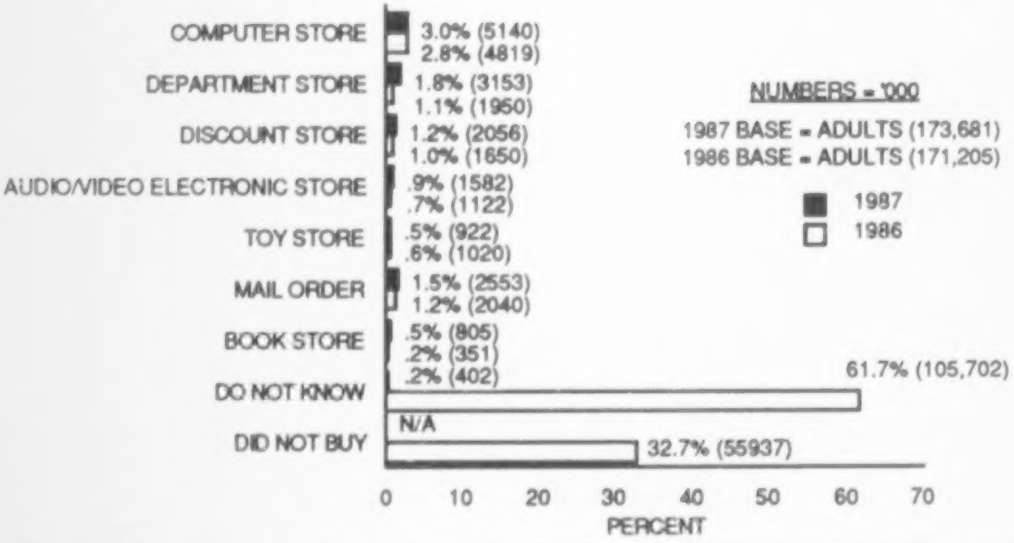


Source: Simmons Market Research Bureau, Inc., 1986 & 1987

SOFTWARE

Where did you purchase your software programs in the last 12 months?

Keep

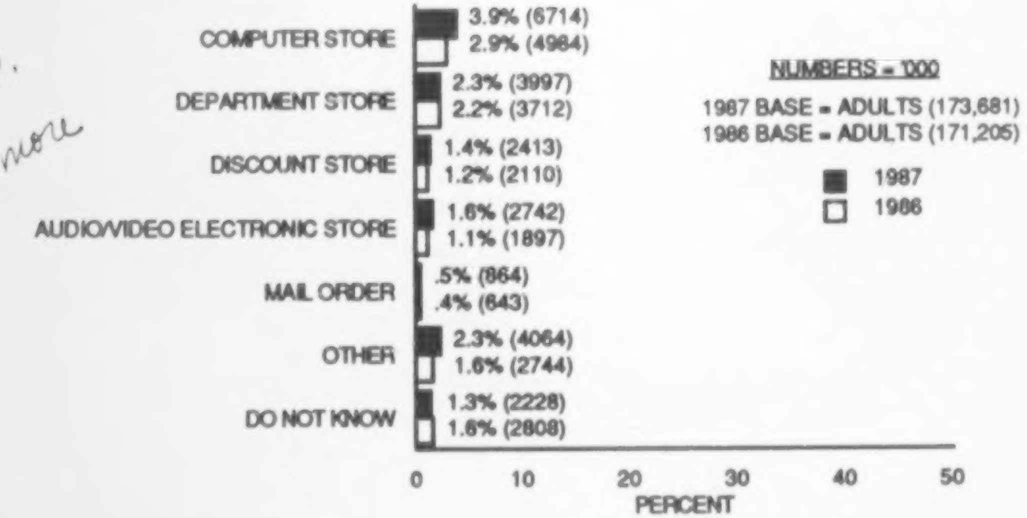


Source: Simmons Market Research Bureau, Inc., 1986 & 1987

PERSONAL COMPUTERS

Where was it purchased?

Keep.
add more



Note: Number in (   ) is in '000.

Source: Market Research Bureau, Inc., 1986 & 1987

ADVERTISING MEDIA PREFERRED BY HOSPITALS

The Journal of Hospital Marketing's "Directions in Hospital Advertising" Vol. 1 Nos. 1/2 by A. H. Kizilbash and John S. Wagle, was conducted by mail survey in Fall/Winter 1986 among 225 hospitals. A 43% response rate was achieved.

	NUMBER OF HOSPITALS	RESPONSE PER CENT
RANKED NEWSPAPERS FIRST	61	62.9
RANKED DIRECT MAIL FIRST	19	19.6
RANKED TELEVISION/RADIO FIRST	10	10.3
RANKED MAGAZINES FIRST	3	3.0
RANKED BROCHURES FIRST	3	3.0
RANKED BILLBOARDS FIRST	0	0.0
NO RESPONSE	1	1.0
TOTAL	97	99.8*

not needed

*Rounding

These statistics are drawn from a study conducted on hospitals and their advertising. Significantly, direct mail is ranked second among advertising media preferred by hospitals.

Source: Journal of Hospital Marketing, 1986

1987 MAIL ORDER SALES BY HEALTH PRODUCT SEGMENT

not needed.

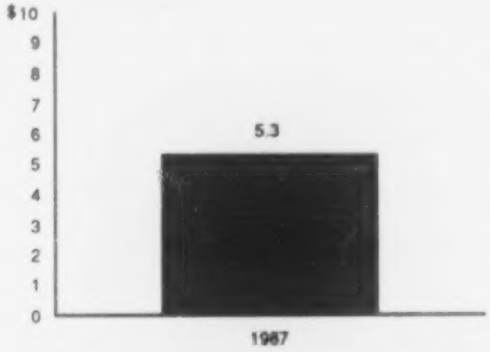
	SALES VOLUME (000,000)
DRUGS/VITAMINS	1,120
HEALTH PROGRAMS	300
SPECIAL EQUIPMENT & SPECIALTY CLOTHING	75
ADULT PRODUCTS	145
PHYSICAL FITNESS	75
HANDICAP AIDS	120
GENERAL	25
TOTAL	$1,860

Source: Arnold Fishman, Marketing Logistics, 1987

Keep in file

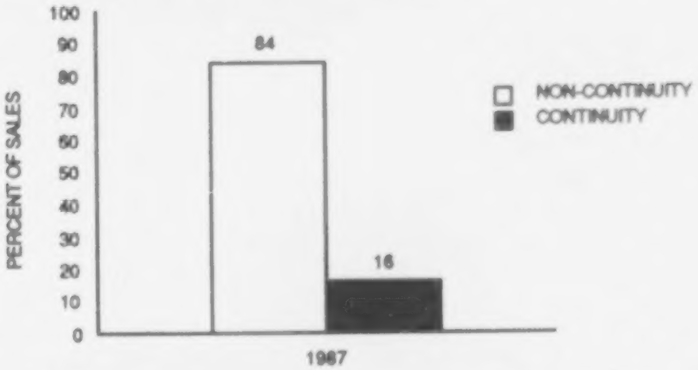
1987 AVERAGE SALES VOLUME OF MAIL ORDER HEALTH PRODUCTS COMPANIES

(IN MILLION $)



Source: Arnold Fishman, Marketing Logistics, 1987

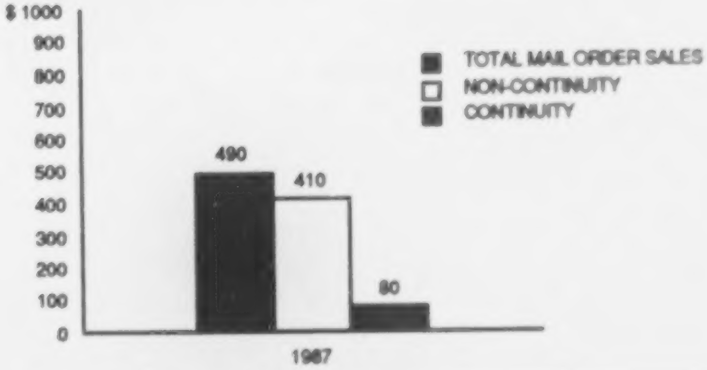
1987 PERCENT OF MAIL ORDER COSMETIC SALES



Source: Arnold Fishman, Marketing Logistics, 1987

1987 MAIL ORDER COSMETICS SALES BY TOTALS AND SUB-SEGMENT

(IN MILLION $)



Source: Arnold Fishman, Marketing Logistics, 1987

DIRECT MARKETING MANAGEMENT BASICS

- CUSTOMER SERVICE
- USPS INFORMATION

• CUSTOMER SERVICE

CONSUMER ATTITUDES

TRENDS

ASSESSMENT OF EFFORT TO GET PROBLEM CORRECTED

The Technical Assistance Research Programs Institute's "Consumer Complaint Handling in America: An Update Study," consists of analyses drawn from Council of Better Business Bureaus, A.C. Nielsen, independent corporations, various publications, and Technical Assistance Research Programs' secondary research in 1986.

ASSESSMENT	PERCENTAGE OF HOUSEHOLDS TAKING ACTION TO RESOLVE THEIR MOST SERIOUS PROBLEM*
I RECEIVED MORE THAN I ASKED FOR	1.1
I WAS COMPLETELY SATISFIED	21.4
I WAS NOT COMPLETELY SATISFIED, BUT THE SOLUTION WAS ACCEPTABLE	20.1
I WAS NOT COMPLETELY SATISFIED, BUT I DID GET SOMETHING	12.8
I WAS NOT AT ALL SATISFIED	41.1
OTHER (INCLUDING DON'T KNOW)	3.5

*N = 562 households which took action to resolve their most serious problem.
~~Citation~~: "National ~~Consumer Survey~~"

Source: Technical Assistance Research Programs Institute

source dates

REASONS FOR NOT COMPLAINING

REASON FOR NOT COMPLAINING	PERCENTAGE OF HOUSEHOLDS TAKING NO ACTION*
WAS NOT WORTH THE TIME OR EFFORT	55.6
DID NOT KNOW WHERE TO GO, WHAT TO DO	13.5
DECIDED NO ONE WOULD BE CONCERNED ABOUT MY PROBLEM OR INTERESTED IN IT	21.1
OTHER	9.9

*N = 252 households which took no action to resolve their most serious problem.
~~Citation: "National Consumer Survey"~~

Source: Technical Assistance Research Programs Institute

source dates

WHAT IS DISLIKED MOST ABOUT DIRECT MARKETING

	HOUSEHOLDS %
DISLIKE SOMETHING	83
DECEPTION	41
NOT THE QUALITY DESCRIBED IN THE OFFERING	23
MISLEADING/FAKE AD	15
SUBSTITUTION BEING MADE	7
LACK OF INFORMATION	32
UNSEEN MERCHANDISE	28
CAN'T JUDGE/SEE MERCHANDISE FIRST	20
HARD TO DETERMINE CORRECT SIZE/FIT	11
SERVICE	20
SLOW DELIVERY/DELAYS IN DELIVERY	16
INCONVENIENCE	16
ITEMS BACK-ORDERED/NOT IN STOCK	6
RETURNING MERCHANDISE	5
EXPENSE	7
SHIPPING	6
CHARGE TOO MUCH FOR SHIPPING/POSTAGE/HANDLING	4
MISCELLANEOUS	
SALES TECHNIQUES	5
DAMAGED MERCHANDISE/DAMAGED IN SHIPPING	3
DISLIKED NOTHING	1
DON'T KNOW/NO ANSWER	16

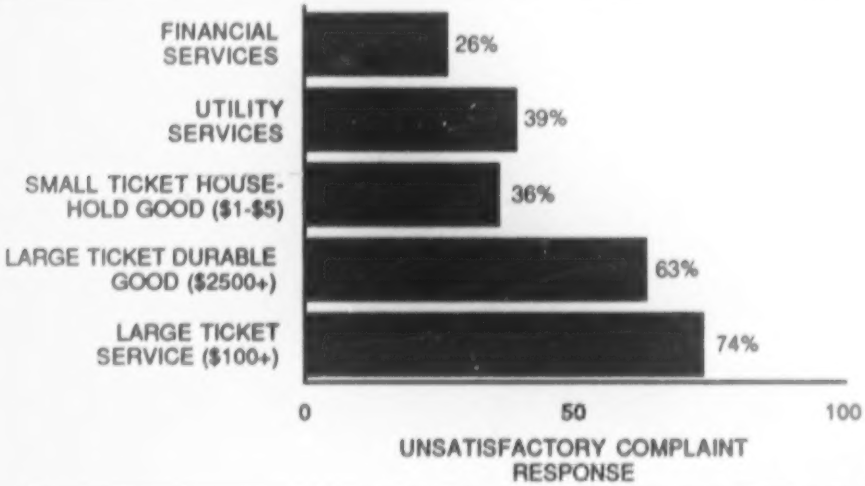
delete

Source Simmons Market Research Bureau, 1984
Doyle Dane Bernbach/New York

MANY CONSUMERS ARE NOT HAPPY WITH BUSINESS' RESPONSE TO THEIR COMPLAINTS

(PERCENTAGE OF COMPLAINANTS REPORTING A LESS THAN ACCEPTABLE RESPONSE TO THEIR CONSUMER PROBLEM)

The Technical Assistance Research Programs Institute's "Consumer Complaint Handling in America: An Update Study," consists of analyses drawn from Council of Better Business Bureaus, A.C. Nielsen, independent corporations, various publications, and Technical Assistance Research Programs' secondary research in 1986.



Many complainants are not satisfied with the action taken by business to resolve their problems.

Source: Technical Assistance Research Programs Institute

date.

RETURN ON INVESTMENT BY CORPORATE COMPLAINT HANDLING UNITS

The Technical Assistance Research Programs Institute's "Consumer Complaint Handling in America: An Update Study," consists of analyses drawn from Council of Better Business Bureaus, A.C. Nielsen, independent corporations, various publications, and Technical Assistance Research Programs' secondary research in 1986.

check

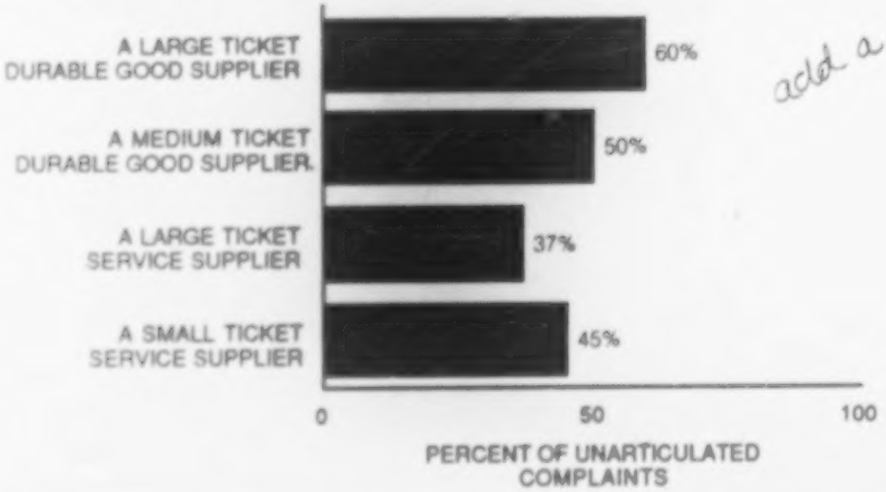
INDUSTRY	RETURN ON INVESTMENT
PACKAGE GOODS	15% – 75%
BANKING	50% – 170%
GAS UTILITIES	20% – 150%
CONSUMER DURABLE GOODS	100% +
ELECTRONIC PRODUCTS	50%
RETAILING	35% – 400%
AUTOMOTIVE SERVICE	100% +

The profits earned by the corporate complaint handling department can be balanced against the invested capital required to support its operations.

The corporate complaint handling department can become a significant profit center. TARP (1980–1985) has found that corporate complaint handling departments have earned in excess of 100 percent return on investment (profits attributable to complaint handling divided by the cost of handling complaints). Such returns have been recorded in industries as diverse as banking, utilities, consumer durable goods, retail, and automotive service.

Source: Technical Assistance Research Programs Institute

MANY CONSUMERS DO NOT COMPLAIN
(PERCENTAGE OF CONSUMERS EXPERIENCING PROBLEMS WITH SELECTED PRODUCTS/ SERVICES WHO DID NOT COMPLAIN)



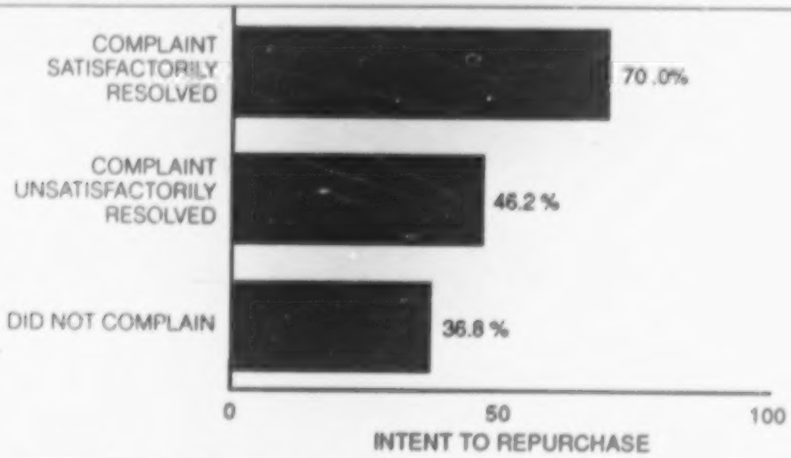
add a key

Source: Technical Assistance Research Programs Study Institute

RELATIONSHIP BETWEEN COMPLAINING AND DECISION TO REPURCHASE THE OFFENDING PRODUCT OR SERVICE:

MOST SERIOUS CONSUMER PROBLEM RESULTING IN POTENTIAL FINANCIAL LOSS OF $1– $5

The Technical Assistance Research Programs Institute's "Consumer Complaint Handling in America: An Update Study," consists of analyses drawn from Council of Better Business Bureaus, A.C. Nielsen, independent corporations, various publications, and Technical Assistance Research Programs' secondary research in 1986.



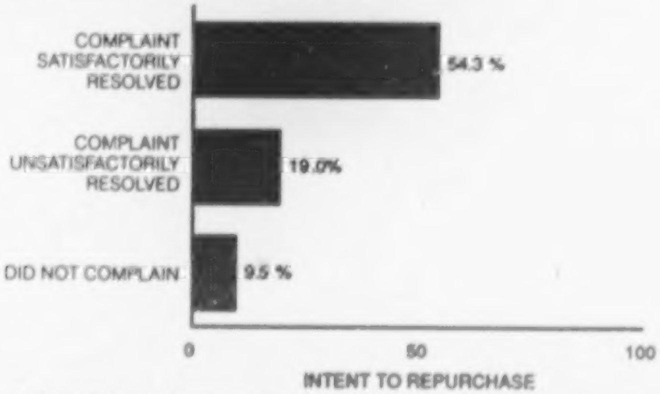
Citation: "National Consumer Survey"

Source: Technical Assistance Research Programs Institute

Kelp

RELATIONSHIP BETWEEN COMPLAINING AND DECISION TO REPURCHASE THE OFFENDING PRODUCT OR SERVICE:

MOST SERIOUS CONSUMER PROBLEM RESULTING IN POTENTIAL FINANCIAL LOSS OF MORE THAN $100



Citation: "National Consumer Survey"

There is a strong relationship between problem severity and complainant satisfaction. The more severe the consumer problem, the lower the level of complainant satisfaction.

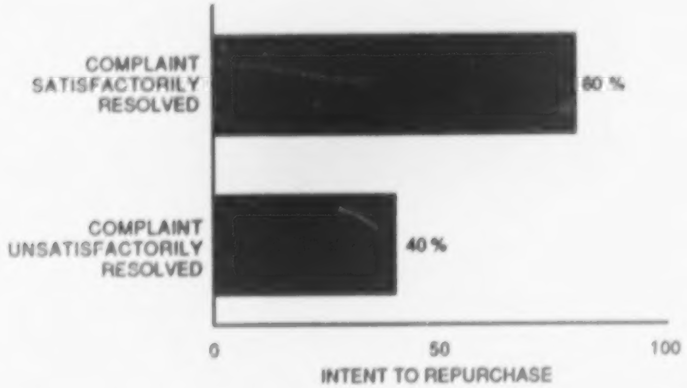
There is a strong relationship between complaining and brand loyalty.

Source: Technical Assistance Research Programs Institute

HOW MANY UNHAPPY CUSTOMERS WILL REMAIN BRAND LOYAL?

LARGE TICKET DURABLE GOOD

The Technical Assistance Research Programs Institute's "Consumer Complaint Handling in America: An Update Study," consists of analyses drawn from Council of Better Business Bureaus, A.C. Nielsen, independent corporations, various publications, and Technical Assistance Research Programs' secondary research in 1986.

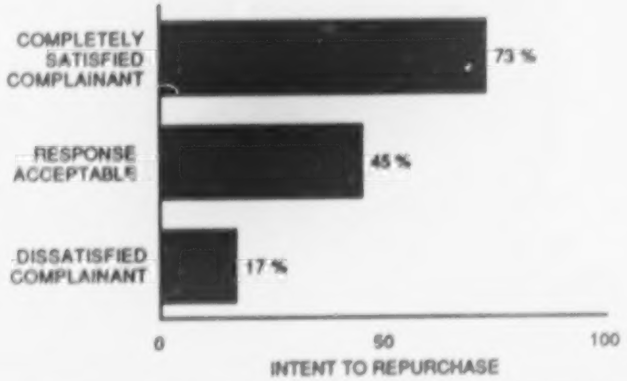


Keep

Source: Technical Assistance Research Programs Institute

HOW MANY UNHAPPY CUSTOMERS WILL REMAIN BRAND LOYAL?

FINANCIAL SERVICE



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—Complainants reported higher brand loyalty than noncomplainants.
—Dissatisfied complainants reported higher brand loyalty than noncomplainants.
—Satisfied complainants reported higher brand loyalty than dissatisfied complainants.
There is a strong relationship between complainant satisfaction and product/service line loyalty.

There is a strong relationship between complainant satisfaction and word of mouth communications. Dissatisfied complainants tell twice as many people about their negative experiences as satisfied complainants tell about their positive interactions.

Source: Technical Assistance Research Programs Institute

TYPES AND FREQUENCY OF MAIL ORDER COMPLAINTS

Types of Complaints	Frequency
DELIVERY—DELAY/DAMAGE	57.8%
CREDIT/BILLING	13.7
UNSATISFACTORY SERVICE*	11.8
FAILURE TO PROVIDE REFUNDS	10.9
SELLING PRACTICES	2.0
PRODUCT QUALITY/PERFORMANCE	1.7
ADVERTISING PRACTICES	1.1
GUARANTEE/WARRANTY	.6
UNSATISFACTORY REPAIR	.3
DISCONTINUED BUSINESS	.1

*Unrelated to repair

Source: Council of Better Business Bureaus, Inc., 1985

update
contact

NUMBER OF DIRECT RESPONSE COMPLAINTS REPORTED IN 1985

The Council of Better Business Bureaus ranked "Ordered Products Sales" fourth in their Top 10 Company Report Requests for 1985. In both 1984 and 1983, direct response orders topped this list as the leading complaint generator.

ORDERED PRODUCT SALES	# OF COMPLAINTS	% OF TOTAL
VIA CATALOGS BY MAIL	40,759	18.72%
VIA TELEPHONE SOLICITATION	26,691	12.26%
MAGAZINE SUBSCRIPTIONS BY MAIL	24,794	11.38%
VIA NEWSPAPER/MAGAZINE ADV	23,041	10.58%
VIA BROADCAST ADVERTISING	7,591	3.49%
NOT ELSEWHERE CLASSIFIED	94,908	43.58%
TOTAL	217,784	100%

Source: Council of Better Business Bureaus, 1986

update.
contact

BUSINESS/GOVERNMENT RELATIONS IN AREAS OF COMPLAINT HANDLING
(SIGNIFICANT INCREASE FROM 1979 TO 1986)

The Technical Assistance Research Programs Institute's "Consumer Complaint Handling in America: An Update Study," consists of analyses drawn from Council of Better Business Bureaus, A.C. Nielsen, independent corporations, various publications, and Technical Assistance Research Programs' secondary research in 1986.

AREAS OF COOPERATION	PERCENTAGE OF BUSINESSES COOPERATING WITH GOVERNMENT	
	1979 STUDY	1986 STUDY
COMPLAINT REFERRAL*	37.8	65.2
CONSUMER EDUCATION**	12.2	31.9
REPORTING REQUIREMENTS†	17.6	46.1
COMPLAINT HANDLING TECHNOLOGY††	14.9	33.9

* Respondents notified government agencies about how to refer complaints to their companies.

** Respondents participated in government-sponsored education programs designed to teach consumers how to complain if they experience problems with consumer products/services.

† Respondents submitted data to government agencies describing the type of complaints received.

†† Respondents exchanged data with government agencies regarding innovations to complaint handling technology and procedures.

Source: Technical Assistance Research Programs Institute

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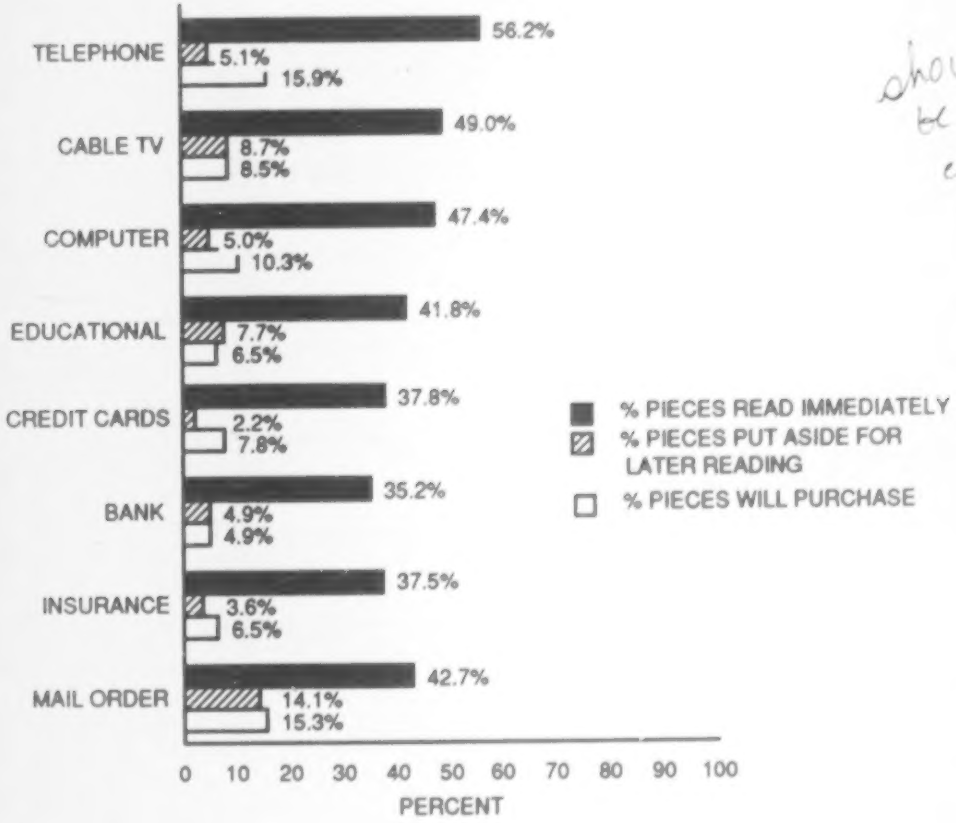
- # USPS INFORMATION

BUYING HABITS

COSTS

TRENDS

THIRD CLASS REGULAR MAIL REACTION BY INDUSTRY



should be in consumer attitude

Source: USPS study

Household Diary

Keep.

USPS EMPLOYEES/FACILITIES

TOTAL USPS EMPLOYEES	**1987**	**1986**	**1985**	**1984**	**1983**
HEADQUARTERS EMPLOYEES	3,428	3,037	3,077	3,012	2,993
FIELD REGULAR EMPLOYEES					
REGIONAL AND OTHER FIELD UNITS	4,808	4,988	6,536	6,524	6,441
INSPECTION SERVICE (FIELD)	4,251	4,237	4,370	4,510	4,655
POSTMASTERS	27,735	27,352	27,811	28,140	28,266
POST OFFICE SUPERVISORS AND TECHNICAL PERSONNEL	53.644	49,424	46,279	44,515	41,659
POST OFFICE CLERKS, MAIL HANDLERS AND NURSES	271,859	259,773	248,939	235,172	229,141
CITY DELIVERY CARRIERS AND VEHICLE DRIVERS	195,518	186,727	179,198	171,434	166,317
RURAL DELIVERY CARRIERS	36,551	35,938	35,206	34,679	34,438
SPECIAL DELIVERY MESSENGERS	1,781	1,824	1,832	1,790	1,815
BUILDING AND EQUIPMENT MAINTENANCE PERSONNEL	29,299	28,383	28,477	27,524	27,193
VEHICLE MAINTENANCE FACILITY PERSONNEL	4,513	4,346	4,218	4,119	4,023
TOTAL FULL-TIME EMPLOYEES	633.387	606,029	585,943	561,419	546,941
OTHER EMPLOYEES	128,128	147,870	130,055	116,585	109,459
RURAL CARRIER SUBSTITUTES	2,013	3,184	4,716	6,687	9,324
RURAL CARRIER RELIEFS	27,029	27,474	23,776	17,432	13,121
GRAND TOTAL	790,557	784,557	744,490	702,123	678,845
USPS OFFICES, STATIONS AND BRANCHES	**1987**	**1986**	**1985**	**1984**	**1983**
NUMBER OF POST OFFICES	29,319	29,344	29,557	29,750	29,990
NUMBER OF STATIONS AND BRANCHES					
CLASSIFIED STATIONS AND BRANCHES	4,910	4,240	4,224	4,184	4,160
CONTRACT STATIONS AND BRANCHES	4,087	3,965	3,856	3,744	3,626
COMMUNITY POST OFFICES	1,714	1,721	1,690	1,708	1,669
TOTAL	10,711	9,926	9,770	9,636	9,455
GRAND TOTAL	40,030	39,270	39,327	39,386	39,445

Source: Annual Report of the Postmaster General, USPS 1987

TOTAL POSTAL REVENUE SOURCES FOR A NON-PROFIT CATEGORY

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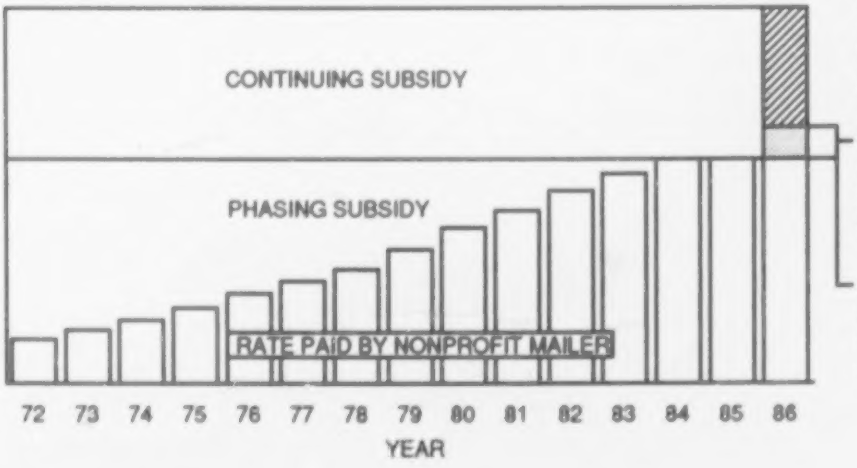

INSTITUTIONAL COST
12.5 cents
What the USPS gets per piece (Commercial Rate).

8.5 cents
Currently paid by nonprofits (due to appropriations shortfall).

ATTRIBUTABLE COST
7.4 cents
for basic 3rd class nonprofit, as an example

Required pre-sort (basic) 3rd class nonprofit rate used for illustrative purposes.

Source: Fund Raising Management/August 1987

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VOLUME OF MAIL
(IN BILLIONS)

Keep update

MAIL CLASSIFICATION	1985	1986	1987	PERCENT CHANGE 1986–87
FIRST CLASS	72.44	76.19	78.87	3.5%
SECOND-CLASS	10.38	10.59	10.32	−2.5%
THIRD-CLASS	52.17	55.05	59.73	8.5%
FOURTH-CLASS	0.58	0.60	0.62	2.2%
PENALTY AND FRANKED	3.29	3.72	3.15	−18.1%
INTERNATIONAL	0.83	0.80	.78	−2.3%
ALL OTHER	0.41	0.41	.46	12.2%
TOTAL MAIL	140.10	147.36	153.93	4.4%

Source: Annual Report of the Postmaster General, USPS, 1987

COMPOSITON OF MAIL

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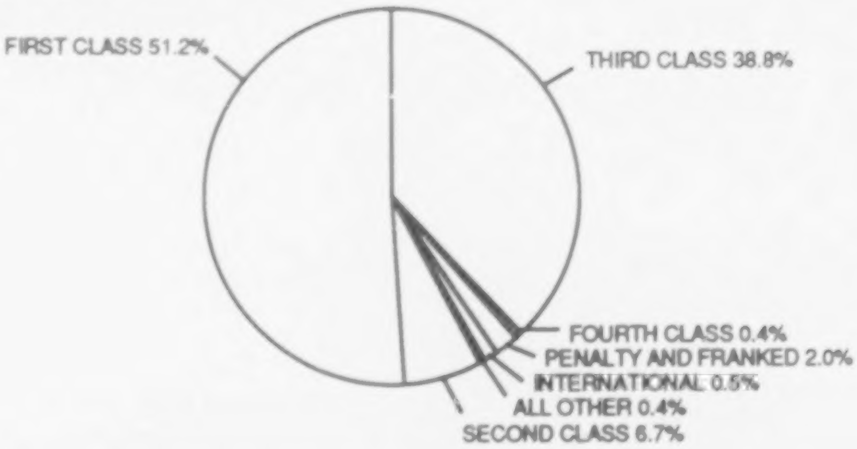

Source: Annual Report of the Postmaster General, USPS, 1987

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VOLUME OF THIRD CLASS MAIL 1984–1986
(POSTAL FISCAL YEARS: OCT. 1–SEPT. 30)

Mail Classification	1985	1986	85–86 % CHANGE	1987	86–87 % CHANGE
SINGLE PIECE RATE	168,355	155,158	−7.8%	158,462	+2.1%
BULK RATE					
BASIC	10,428,865	11,629,416	+11.5%	12,505,514	+7.5%
CARRIER ROUTE	23,407,236	24,173,638	+3.3%	26,743,646	+10.6%
5-DIGIT	7,189,668	8,203,177	+14.1%	9,304,063	+13.4%
REGULAR RATE TOTAL	41,025,769	44,006,231	+7.3%	48,553,223	+10.3%
TOTAL NON-PROFIT	10,976,133	10,887,557	−.8%	11,021,513	+1.2%
TOTAL THIRD CLASS	52,170,257	55,048,946	+5.5%	59,733,198	+8.5%

Source: "USPS Revenue, Pieces and Weight By Classes of Mail and Special Services for Fiscal Years 1985–7."

73% OF MONTHLIES DELIVERED LATE

Late delivery of monthlies improved three percentage points during the last quarter of 1987, but still proved that nearly three quarters of monthly publications are not delivered within Postal Service standards.

☐ Publications delivery box score:

☐ Monthly second class publications, October 1–December, 1987

CITY (ZIP CODE)	BETTER THAN USPS STANDARD	SERVICE STANDARD	1–6 DAYS LATE	LATER
COMPOSITE AVERAGE*	9%	18%	68%	5%
MILWAUKEE (532)	0	4	96	0
DALLAS (750)	0	13	87	0
CHICAGO (606)	3	15	80	2
NEW ORLEANS (701)	18	3	79	0
ATLANTA (303)	12	8	77	3
DETROIT (482)	8	4	76	12
NEW YORK (100)	3	12	74	11
LOS ANGELES (900)	0	14	74	12
HOUSTON (770)	7	21	72	0
BUFFALO (142)	0	29	71	0
PITTSBURGH (152)	1	22	70	7
CINCINNATI (452)	5	20	70	5
MEMPHIS (381)	0	10	69	21
PHILADELPHIA (191)	12	7	69	12
WASHINGTON, D.C. (200)	4	17	76	3
MINNEAPOLIS (554)	25	33	38	4
DENVER (802)	14	25	57	4
MIAMI (331)	26	27	43	4
SAN FRANCISCO (941)	22	32	42	4
BOSTON (021)	20	31	41	8
SEATTLE (981)	34	22	33	11
PHOENIX (850)	50	25	25	0

* Includes other U.S. cities and SCFs not listed.

Source: Red Tag News Publications Association, Inc.

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NUMBER OF PIECES OF MAIL ATTRIBUTED TO DIRECT MAIL

1977–1987 (POSTAL FISCAL YEAR--OCT. 1–SEPT. 30)
BASED ON DMA'S POSTAL VOLUME ESTIMATES AND U.S. POSTAL SERVICE REVENUE AND COST ANALYSIS REPORTS
(IN THOUSANDS)

Ann Z.
to check

	First Class D.Mail = 20%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 15%	Third Class Single D.Mail = 95%	Third Class Bulk D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog D.Mail = 100%	Int'l Mail D.Mail = 5%	Total # Pieces	Total # D.Mail Volume Pieces
1977	58 827 034 10 765 407	199 487 9 974	28 562 4 284	612 518 581 892	17 138 794 16 281 854	6 825 799 6 484 509	84 998 84 998	684 899 34 245	79 402 091	34 247 163

	First Class D.Mail = 10%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 95%	Third Class Single D.Mail = 95%	Third Class Bulk D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog D.Mail = 100%	Int'l Mail D.Mail = 5%	Total # Pieces	Total # D.Mail Volume Pieces
1978	54 557 218 5 455 722	213 329 10 666	32 504 4 876	539 724 512 738	18 684 430 17 750 209	7 020 146 6 669 139	85 431 85 431	718 935 35 947	81 851 717	30 524 728

	First Class D.Mail = 10%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 15%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog* D.Mail = 100%	Int'l Mail D.Mail = 5%	Total # Pieces	Total # D.Mail Volume Pieces
1979	58 215 317 5 831 532	231 835 11 592	37 989 5 698	444 871 422 627	15 509 303 14 733 838	4 492 980 4 268 331	7 552 602 7 174 972	104 087 104 087	755 674 37 784	87 344 658	32 580 461
1980	58 993 087 5 899 309	252 864 12 643	39 452 5 918	410 959 390 411	14 583 664 13 854 671	6 999 788 6 649 799	8 068 948 7 665 500	116 434	733 832 36 692	90 199 228	34 514 743

	First Class D.Mail = 10%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class 5-Digit Presort D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Fourth Class Bound Printed Matter D.Mail = 85%	Int'l Mail D.Mail = 5%	Total # Pieces	Total # D.Mail Volume Pieces
1981	61 410 172 6 141 017	335 168 318 410	11 636 430 11 054 608	10 541 579 10 014 500	2 527 621 2 401 239	8 566 807 8 138 277	118 675 94 940	885 509 44 275	96 021 761	38 207 268

	First Class D.Mail = 7.5%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class 5-Digit Presort D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Fourth Class Bound Printed Matter D.Mail = 85%	Int'l Mail D.Mail = 2%	Total # Pieces	Total # D.Mail Volume Pieces
1982	62 200 212 4 665 016	203 350 198 183	8 791 167 8 351 609	13 742 551 13 055 423	4 918 628 4 572 697	9 063 627 8 610 446	156 154 124 923	927 541 18 551	100 003 230	39 691 848
1983	64 246 880 4 818 516	167 990 159 591	8 812 930 8 372 284	16 698 070 15 863 167	5 674 653 5 390 920	9 381 076 8 912 022	168 128 142 908	904 821 18 096	106 054 548	43 677 504
1984	68 428 570 5 132 143	178 316 169 400	9 559 199 9 081 239	21 391 900 20 322 305	6 747 731 6 410 344	10 371 568 9 852 990	194 760 165 546	894 840 17 897	117 766 884	51 151 864
1985	72 440 277 5 808 021	168 355 159 937	10 428 865 9 907 422	23 407 236 22 236 874	7 189 668 6 830 185	10 976 133 10 427 326	212 829 180 905	829 404 16 588	130 652 767	55 567 258
1986	76 186 648 5 713 999	155 158 147 400	11 629 416 11 047 945	24 173 638 22 964 956	8 203 177 7 793 018	10 887 557 10 343 179	249 221 211 838	797 727 15 955	132 282 542	58 238 290
1987	78 869 309 5 915 198	158 462 150 539	12 505 514 11 880 258	26 743 646 25 406 454	9 304 063 8 838 860	11 021 513 10 470 437	255 537 217 206	777 816 15 556	153 930 575	62 694 702

Note: Priority Mail and Mailgram figures are not reported in the most current years because the volume of dm pieces is not a substantial portion.

*In 1981 the USPS discontinued reporting the catalog figure as a separate category. Since then this figure has been included in the third class mail figures.

Source: Direct Marketing Association, "USPS Revenue and Cost Analysis Report," 1987

DMA/DOUBLEDAY BULK THIRD-CLASS DELIVERY TEST
APRIL–JUNE,

COMPARISON WITH 1981 AND 1983 TESTS
The DMA/Doubleday tests were conducted using the verified home addresses of DMA members who volunteered to report mail delivery results. The 1987 test also included active members of the Third Class Mail Association. Here is a comparison of the results.

	NONDELIVERY-PERCENTAGE		
	1987	1983	1981
TEST PIECE	base = 1613	base = 700	base = 890
LITERARY GUILD FLAT ENDORSED, "FORWARDING AND RETURN POSTAGE GUARANTEED"	3.4%	3.1%	6.6%
LITERARY GUILD FLAT, NO FORWARDING OR RETURN ENDORSEMENT	5.0%	5.4%	8.4%
MERCHANDISE CATALOG			
FINGERHUT	14.1%	—	—
SPIEGEL	—	10.2%	—
DAV (NONPROFIT) LETTER-SIZE	8.1%	—	—
LUVS DIAPERS COUPON	—	18.9%	—

Source: DMA & Doubleday, 1987

BRIEF HISTORY OF SELECTED POSTAL RATES

3RD CLASS BULK
(BEFORE PRESORT PROGRAM INITIATED)

YEAR	EFFECTIVE DATE*	REGULAR BULK MIN. PER PIECE	EFFECTIVE DATE	NON PROFIT MIN. PER PIECE
	1/1/59	2¢	1/1/59	1¢
1960	7/1/60	2.5¢	7/1/60	1.25¢
1961		2.5¢		1.25¢
1962		2.5¢		1.25¢
1963	1/7/63	2.625¢		1.25¢
1964	1/1/64	2.75¢		1.25¢
1965	1/1/65	2.875¢		1.25¢
1966		2.875¢		1.25¢
1967		2.875¢		1.25¢
1968	1/7/68	3.6¢	1/7/68	1.4¢
1969	7/1/69	3.8/4.0¢*	7/1/69	1.6¢
1970		3.8/4.0¢*		1.6¢
1971	5/16/71	4.04/4.2¢*	5/16/71	1.7¢
1972	3/12/72	5.0¢		1.7¢
	7/6/72	4.85/5.0¢*		
1973		4.8/5.0¢*		1.7¢
1974	3/2/74	6.1/6.3¢*	7/6/74	1.8¢
1975	12/31/75	7.7/7.9¢*		1.8¢
1976	7/6/76	7.7/7.9¢*	7/6/76	1.9¢
	7/18/76	7.5/7.7¢*	7/18/76	[illegible]
1977		7.5/7.7¢*	7/6/77	[illegible]
1978	5/29/78	8.4¢	5/29/78	2.4¢
			7/6/78	2.7¢
1979			7/6/79	3.1¢

* = 1st 250M pieces per year at initial figure

Source: Direct Marketing Association, 1987

3RD CLASS MIN. PER PIECE

(BY PRESORT CATEGORY BEGINNING 1979)

YEAR	BULK RATE REGULAR EFFECTIVE DATE	CARRIER ROUTE	FIVE DIGIT	ALL OTHER
1979		6.7¢	n/a	8.4¢
1981	3/22/81	6.4¢	8.8¢	10.4¢
1981	11/1/81	7.9¢	9.3¢	10.9¢
1983	5/22/83	7.4¢	9.3¢	11.0¢
1985	2/17/85	8.3¢	10.1¢	12.5¢
1987	4/3/87	10.1¢	13.2¢	16.7¢
	NON-PROFIT			
1980	7/6/80	3.2¢	n/a	3.5¢
1981	7/6/81	1.9¢	2.9¢	3.8¢
1982	1/10/82	4.0¢	5.0¢	5.9¢
1982	7/24/82	3.0¢	4.0¢	4.9¢
1983	1/9/83	3.3¢	4.3¢	5.2¢
1985	2/17/85	3.4¢	4.9¢	6.0¢
1986	1/1/86	4.8¢	6.3¢	7.4¢
1986	3/9/86	5.7¢	7.2¢	8.7¢
1986	4/20/86	5.5¢	7.1¢	8.5¢
1988	4/3/88	5.3¢	7.6¢	8.4¢

4TH CLASS PARCEL POST LOCAL (ZONES 1, 2, 3)

YEAR	EFFECTIVE DATE	PER PC.	PER LB. (1–5)	YEAR	EFFECTIVE DATE	PER LB. (UP TO 2 LBS.)
1960	2/1/60	20¢	+ 2¢	1970	11/14/70	60¢
1961		20¢	+ 2¢			
1962		20¢	+ 2¢			
1963	4/1/64	25¢	+ 2¢			
1964		25¢	+ 2¢	1974	3/2/74	61¢
1965	1/15/67	25¢	+ 2¢	1975	9/14/75	67¢
1966		25¢	+ 2¢ + 10¢		12/31/75	77¢
1967			to nearest			
			5 or 10¢			
1968	10/19/68	45¢	+ 2¢ –			
			to nearest 5¢	1978	5/29/78	$1.15
				1979		
				1980		
				1981	3/22/81	$1.38
				1985	2/17/85	$1.41
				1988	4/3/87	$1.43

YEAR	1ST CLASS 1ST OZ. EFFECTIVE DATE	PER PIECE
1960	8/1/58	4¢
1961		4¢
1962		4¢
1963	1/7/63	5¢
1964		5¢
1965		5¢
1966		5¢
1967		5¢
1968	1/7/68	6¢
1969		6¢
1970		6¢
1971	5/16/71	8¢
1972		8¢
1973		8¢
1974	3/2/74	10¢
1975	12/31/75	13¢
1976		13¢
1977		13¢
1978	5/29/78	15¢
1981	3/22/81	18¢
1981	11/1/81	20¢
1985	2/17/85	22¢
1988	4/3/87	25¢

YEAR	3RD CL. SINGLE PIECE 1ST 2 OZS. EFFECTIVE DATE	PER PIECE
1960	8/1/58	3¢
1961		3¢
1962		3¢
1963	1/7/63	4¢
1964		4¢
1965		4¢
1966		4¢
1967		4¢
1968	1/7/68	6¢
1969		6¢
1970		6¢
1971	5/16/71	8¢
1972		8¢
1973		8¢
1974	3/2/74	10¢
1975	12/31/75	13¢
1976	7/18/76	14¢
1977		14¢
1978	5/29/78	20¢
1981	3/22/81	18¢
1981	11/1/81	20¢
1985	2/17/85	22¢
1988	4/3/87	25¢

Source: Compiled by Direct Marketing Association, Inc. 1987

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SELECTED FOREIGN POSTAL RATES COMPARED WITH UNITED STATES RATE

COUNTRY	RATE FOR FIRST UNIT OF DOMESTIC LETTER POSTAGE (NATIONAL CURRENCY)		POSTAGE CONVERTED TO U.S. CENTS*
ITALY	600.00	Lira	46.7
GERMANY (FED. REP.)	.80	Mark	44.7
JAPAN	60.00	Yen	43.1
NORWAY	2.70	Krona	40.5
AUSTRIA	5.00	Shilling	40.0
NETHERLANDS	.75	Guilder	37.1
FRANCE	2.20	Franc	36.8
BELGIUM	13.00	B. Franc	35.0
SWITZERLAND	.50	S. Franc	34.0
SWEDEN	2.10	Krona	33.6
UNITED KINGDOM	.17	Pound	28.2
CANADA	.36	C$	26.9
AUSTRALIA	.36	A$	25.4
U.S.A.	.25	US$**	25.0

*Foreign exchange rates prevailing on April 27, 1987.
**Proposed level; Current Rate = 22.0¢.

Source: *The Washington Post*, April 28, 1987

R87-1
PREVIOUS AND NEW RATES OF POSTAGE FOR POSTAL SERVICES USED BY DIRECT MARKETERS

FIRST CLASS MAIL

MAIL TYPE	POSTAGE RATE UNIT	PREVIOUS RATES		NEW 1988 RATES	
		REGULAR (CENTS)	PRESORTED (CENTS)[1]	REGULAR (CENTS)	PRESORTED (CENTS)[2]
LETTERS	1ST OUNCE	22	18/17	25	21/19.5
	EACH ADDITIONAL OUNCE[3]	17	17	20	20
CARDS	PIECE	14	12/11	15	13/11.5
ZIP + 4 MAIL:[4]					
LETTERS	FIRST OUNCE	21.1	17.5	24.1	[4]20.5
	PRE-BAR CODE	....	....	....	20
	EACH ADDITIONAL OUNCE[3]	17	17	20	20
CARDS	PIECE	13.1	11.5	14.1	12.5
	PRE-BAR CODED	....	....	....	12
NONSTANDARD SURCHARGE[5]	....	10	10	10	10

[1] Presorted First-Class Mail must be presented in a single mailing of at least 500-pieces properly prepared and presorted. The 5-digit presort rate applies only to each piece of a group of ten or more pieces destined for the same 5-digit ZIP Code or each piece of a group of 50 or more pieces destined for the same 3-digit ZIP Code. The lower rate applies only to mail presorted to carrier route, with a minimum of 10 pieces per route. A mailing fee of $50 must be paid once each year at each office of mailing by any person who mails presorted First-Class Mail. [The fee for mailers allows usage of either or both of these rates.]

[2] Presorted First-Class Mail must be presented in a single mailing of at least 500 pieces properly prepared and presorted. The higher rate applies to mail presorted to ZIP Code and prepared as prescribed by the Postal Service. The lower rate applies only to mail presorted to carrier route, and prepared as prescribed by the Postal Service. A mailing fee must be paid once each year at each office of mailing by any person who mails presorted First-Class Mail. [The fee for mailers allows usage of either or both of these rates.]

[3] Rate applies through 12 ounces. Heavier pieces are subject to zone-rated priority mail rates.

[4] ZIP + 4 mail must be properly prepared and submitted in a single mailing of at least 250 pieces, except where the presort minimum of 500 applies. ZIP + 4 rates are not available for carrier route presort mail.

[5] Applies to the first ounce only. Not applicable to ZIP + 4 mail.

Source: USPS, May 1988

THIRD CLASS SINGLE PIECE MAIL

CHARGES FOR FIRST AND THIRD CLASS NON-BULK ARE SIMILAR

	RATE	
	PREVIOUS (CENTS)	NEW 1988 (CENTS)
SINGLE PIECE:		
ONE OUNCE	22	25
TWO OUNCES	39	45
THREE OUNCES	56	65
FOUR OUNCES	73	85
FIVE AND SIX OUNCES	88	100
EACH ADDITIONAL 2 OUNCES	10	10
NONSTANDARD SURCHARGE[1]	10	10
KEY AND IDENTIFICATION DEVICES:		
FIRST 2 OUNCES	62	85
EACH ADDITIONAL 2 OUNCES	34	47

[1] Applies only to pieces weighting 1 ounce or less.

Source: USPS, May 1988

THIRD CLASS REGULAR BULK MAIL

	RATE	
	PREVIOUS (CENTS)	NEW 1988 (CENTS)
BULK RATE STRUCTURE:[1]		
PER POUND, REQUIRED PRESORTATION	38 plus 4.2 cents per piece	48 plus 6.6 cents per piece
PER POUND, PRESORTED TO 5-DIGIT ZIP CODE	38 plus 1.8 cents per piece	48 plus 3.1 cents per piece
PER POUND, PRESORTED TO CARRIER ROUTE	38.0	48
MINIMUM PER PIECE, REQUIRED PRESORTATION	12.5	16.7
MINIMUM PER PIECE, PRESORTED TO 5-DIGITS	10.1	13.2
MINIMUM PER PIECE, PRESORTED TO CARRIER ROUTE	8.3	10.1

[1] Currently, a fee of $50 must be paid once each calendar year for each bulk mailing permit. The proposed bulk fee is $60.

Source: USPS, May 1988

THIRD CLASS NON-PROFIT BULK MAIL

	FULL RATE	
	PREVIOUS (CENTS)	NEW 1988 (CENTS)
NONPROFIT BULK RATE STRUCTURE:[1]		
PER POUND, REQUIRED PRESORTATION	21.9 plus 2.6 cents per piece	25.1 plus 3.1 cents per piece
PER POUND, PRESORTED TO 5-DIGIT ZIP CODE	21.9 plus 1.5 cents per piece	25.1 plus 2.3 cents per piece
PER POUND, PRESORTED TO CARRIER ROUTE	21.9	25
MINIMUM PER PIECE, REQUIRED PRESORTATION	7.4	8.0
MINIMUM PER PIECE, PRESORTED TO 5-DIGITS	6.3	7.1
MINIMUM PER PIECE, PRESORTED TO CARRIER ROUTE	4.8	4.5

[1] Currently, a fee of $50 must be paid once each calendar year for each bulk mailing permit. The proposed bulk fee is $60.

Source: USPS, May 1988

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PRESENT AND PROPOSED FEES FOR POSTAL SERVICES USED BY DIRECT MARKETERS.

BUSINESS REPLY MAIL

DESCRIPTION	FEES (IN ADDITION TO POSTAGE) PREVIOUS (CENTS)	FEES (IN ADDITION TO POSTAGE) NEW 1988 (CENTS)
BUSINESS REPLY:[1]		
WITHOUT ADVANCE DEPOSIT ACCOUNT:		
REGULAR	7	8
DISCOUNT[2]		5
WITHOUT ADVANCE DEPOSIT ACCOUNT	23	40

[1] Rates are applied on a per-piece basis in addition to regular First-Class postage. Currently, a fee of $50 must be paid to each year for each business reply permit. The proposed fee is $60. An accounting charge of $160 must be paid once each year for each business reply advance deposit account. The proposed charge is $200.

[2] Currently there is no rate differential offered for pieces that are bar-coded, it is proposed that a 2¢ discount be offered for bar-coded pieces meeting certain ZIP + 4 and additional automated mail processing criteria.

ADDRESS CORRECTION

DESCRIPTION	FEE PREVIOUS	FEE NEW 1988
PER PIECE	$0.30	$0.30

ZIP CODING OF MAILING LISTS

DESCRIPTION	FEE PREVIOUS	FEE NEW 1988
PER 1,000 ADDRESSES	$36.00	$42.00

CORRECTION OF MAILING LIST

DESCRIPTION	FEE PREVIOUS	FEE NEW 1988
PER SUBMITTED ADDRESS	$0.15	$0.15

Source: USPS, May 1988

MAILING LIST SERVICES

	FEE	
	PREVIOUS (CENTS)	NEW 1988 (CENTS)
CORRECTIONS ASSOCIATED WITH ARRANGEMENT OF ADDRESS CARDS IN SEQUENCE OF CARRIER DELIVERY: PER CORRECTION	$0.15	$0.15

When rural routes have been consolidated or changed to another post office, no charge will be made for correction if the list contains only names of persons residing on the route or routes involved

Source: USPS, May 1988

COLLECT ON DELIVERY

delete

AMOUNT TO BE COLLECTED OR INSURANCE COVERAGE DESIRED	FEES (IN ADDITION TO POSTAGE)	
	PREVIOUS	NEW 1988
$ 0.01 TO $25	$1.50	$2.00
25.01 TO 50	1.80	2.50
50.01 TO 100	2.10	3.00
100.01 TO 200	2.40	3.40
200.01 TO 300	3.00	4.25
300.01 TO 400	3.70	5.25
400.01 TO 500	—	6.50

Source: USPS, May 1988

Consumer part

The Household Diary Study was initiated on September 26, 1986. It is a 2 year market research study of mail that originates from or is sent to U.S. households.

The purpose of the Household Diary Study is to obtain comprehensive market data on mail sent and received by households, and, specifically, to supply:

1—A detailed picture of the household mailstream:
- including mail class and subclass
- identity (by sector and industry) of mail senders and recipients
- the content of mail
- household attitudes and responsiveness concerning mail
- the demographics of mail senders and recipients

2—A comparison of underlying trends in household mail usage and receipt between Calendar Year 1977 and Postal Year 1987 and between 1987 and succeeding years of HDS.

The Household Diary Program surveys over 5,300 households each year. Each household responded to an interview and then maintained a diary of each mail piece received or sent by members of the household during the sample week.

These data supply information useful for the volume forecasting, planning, marketing and ratemaking functions of the Postal Service, and give the first comprehensive description of the household portion of the Postal Service mailstream since the Household Mailstream Study was conducted in Calendar Year 1977.

THIRD-CLASS REGULAR TREATMENT OF MAIL PIECE BY SHAPE
POSTAL YEAR 1987
(PERCENTAGE OF MAIL PIECES RECEIVED BY HOUSEHOLDS)

Treatment	Lettersize Envelope	Larger than Letter Envelope	Detached Label Card	Post-card	Catalog Not In Envelope	Flyers	Newspapers/ Magazines	Total
	%	%	%	%	%	%	%	%
Read	44.5	44.0	30.8	50.1	42.9	40.8	30.1	41.5
Looked At	28.1	26.0	33.8	24.7	25.9	20.7	17.6	26.4
Discarded	15.3	13.8	19.6	15.7	9.7	15.1	9.4	14.0
Set Aside	4.8	8.8	3.9	2.2	15.9	6.7	8.1	8.1
Don't know/No Answer	9.3	7.4	11.9	7.4	5.6	10.5	34.9	10.0
Total Mail Received by Households	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study 1988

THIRD CLASS BULK REGULAR MAIL ZIP CODE USAGE BY SHAPE
POSTAL YEAR 1987
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

ZIP Code Mailing Address	In Letter Size Envelope	Larger than Letter Envelope	Detached Label Card	Postcard	Catalog Not in Envelope	Flyers	Newspapers/ Magazines	Total
5 Digits	95.4	94.9	98.7	96.0	95.2	86.8	80.6	92.5
Zip + 4	2.3	2.6	.6	2.0	2.9	2.0	1.3	2.2
Zip Not Included	.2	.5	.5	1.5	1.4	9.7	12.1	3.5
Don't know/No Answer	2.0	1.9	.2	.5	.5	1.5	6.0	1.7
Total Mail Received by Households	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study 1988

THIRD-CLASS BULK REGULAR MAIL BY SHAPE BY RATE POSTAL YEAR 1987
(CARRIER VS. NONCARRIER ROUTE)

Shape	Percentage of Household Mail		Pieces Per Household Per Week	
	Non-Carrier Route	Carrier Route	Non-Carrier Route	Carrier Route
ENVELOPE				
LETTER SIZE	36.0	11.1	1.4	0.4
LARGER THAN LETTER SIZE	24.0	8.4	0.9	0.3
TOTAL ENVELOPE	59.9	19.5	2.3	0.7
DETACHED LABEL CARD	0.5	15.1	0.0	0.6
POSTCARD	2.6	2.4	0.1	0.1
CATALOG NOT IN ENVELOPE	17.2	21.3	0.7	0.8
FLYERS/CIRCULARS	17.1	37.3	0.7	1.5
MAGAZINE/NEWSLETTERS	1.4	3.2	0.1	0.1
OTHER/DON'T KNOW/NO ANSWER	1.3	1.2	0.0	0.0
TOTAL PIECES RECEIVED BY HOUSEHOLDS	100.0	100.0	3.9	3.9

Source: USPS Household Diary Study 1988

THIRD-CLASS BULK REGULAR RESPONSE TO MAIL PIECE BY AGE OF HEAD
POSTAL YEAR 1987

Age of Head	Read Immediately		Set Aside		Found Useful		Definitely[1] Will Respond	
	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household
18–21	46.9	1.8	10.3	0.4	53.5	2.1	16.5	0.5
22–24	35.6	1.1	6.9	0.2	35.7	1.1	17.5	0.5
25–34	40.4	2.7	8.4	0.6	42.7	2.8	15.9	0.9
35–44	39.9	3.3	7.8	0.6	40.8	3.4	16.1	1.1
45–54	39.6	3.5	7.8	0.7	38.8	3.4	13.0	0.9
55–64	45.0	4.4	9.2	0.9	41.2	4.0	12.7	1.0
65–69	42.5	3.5	7.4	0.6	38.1	3.1	13.2	0.9
70 +	43.8	3.4	7.3	0.6	37.6	2.9	14.8	0.9

1—Of pieces identified by respondents as containing an advertisement or request for funds.

Source: USPS Household Diary Study 1988

THIRD-CLASS BULK REGULAR RESPONSE TO PIECES FROM MAIL ORDER INDUSTRY BY NUMBER OF MAIL ORDER PURCHASES MADE WITHIN THE LAST YEAR
POSTAL YEAR 1987

Number of Mailorder Purchases	Read Immediately		Set Aside		Found Useful		Definitely Will Respond	
	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household
0	40.4	0.3	8.4	0.1	17.0	0.2	16.6	0.1
1–2	40.8	0.5	11.4	0.1	15.4	0.4	17.3	0.2
3–5	45.7	0.7	13.5	0.2	27.2	0.7	26.0	0.2
6–10	44.6	1.0	14.9	0.3	20.5	1.1	19.6	0.3
11 +	42.0	1.3	11.8	0.4	19.9	1.4	20.4	0.5

Source: USPS Household Diary Study 1988

THIRD-CLASS REGULAR USEFULNESS OF MAIL PIECE BY SHAPE

POSTAL YEAR 1987
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

Usefulness	Letter-Size Envelope	Larger Than Letter Envelope	Detached Label Card	Post-Card	Catalog Not In Envelope	Flyers	Newspapers/ Magazines	Total
USEFUL	32.6	36.4	26.8	38.4	53.8	44.7	33.3	40.2
INTERESTING	21.3	27.4	16.3	20.1	26.1	19.4	16.7	22.0
NOT INTERESTING	29.0	21.1	34.7	27.7	10.8	19.5	9.0	21.3
OBJECTIONABLE	5.7	5.8	7.5	4.9	2.3	3.8	2.5	4.6
DON'T KNOW/NO ANSWER	11.5	9.2	14.7	8.9	7.0	12.5	38.5	12.0
TOTAL MAIL RECEIVED BY HOUSEHOLDS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source USPS Household Diary Study 1988

THIRD-CLASS BULK REGULAR RESPONSE TO ADVERTISING BY SHAPE

POSTAL YEAR 1987
(IF MAIL PIECE CONTAINED ADVERTISING OR REQUEST FOR DONATION)

	Letter Size Envelope	Larger Than Letter Envelope	Detached Label Card	Postcard	Catalog Not In Envelope	Flyers	Newspapers/ Magazines	Total[1]
Yes	12.8	16.5	8.6	15.4	16.1	15.6	10.2	14.6
No	69.6	62.1	69.5	63.6	46.6	54.2	44.3	58.6
Maybe	13.1	16.7	10.5	13.6	32.5	21.2	16.9	19.9
No Answer	4.5	4.8	11.4	7.4	4.8	9.1	28.6	7.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Pieces Per Household Per Week	1.42	1.06	.53	.15	1.39	1.72	.10	6.40

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[1] —Total includes pieces for which no response was given as to shape.

Source USPS Household Diary Study 1988

NUMBER OF MAIL ORDER PURCHASES* WITHIN THE LAST YEAR BY INCOME

POSTAL YEAR 1987
(PERCENTAGE OF HOUSEHOLDS)

NUMBER OF PURCHASES	LESS THAN $7K	$7K–$9.9K	$10K–$14.9K	$15K–$19.9K	$20K–$24.9K	$25K–$29.9K	$30K–$34.9K	$35K $49.9K	$50K–$64.9K	$65K–OVER	TOTAL
0	64.7	55.7	48.4	43.0	41.8	39.0	34.4	28.7	29.4	33.5	42.2
1–2	16.5	18.0	15.9	22.3	21.3	19.4	21.9	22.5	19.7	11.6	19.6
3–5	11.4	18.9	20.4	21.2	20.6	21.9	19.2	25.4	19.6	21.3	19.5
6–10	3.3	5.1	7.4	9.4	8.0	11.6	13.8	11.7	13.4	18.8	10.0
11+	3.5	2.4	6.1	3.6	7.7	7.9	9.7	9.7	17.0	13.2	7.6
Don't Know/ No Answer	.5	.0	1.8	.5	.7	.3	1.0	1.8	1.0	1.5	1.1
TOTAL HOUSEHOLDS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*From entry interview.

Source USPS Household Diary Study 1988

THIRD-CLASS BULK REGULAR RESPONSE TO MAIL PIECE BY INCOME

POSTAL YEAR 1987

Income	Read Immediately		Set Aside		Found Useful		Definitely[1] Will Respond	
	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household
Under $7K	43.0	1.6	18.8	0.3	36.0	1.4	17.5	0.5
$7K–$9.9K	41.0	2.1	18.8	0.3	37.1	1.9	12.6	0.5
$10K–$14.9K	45.0	2.6	11.9	0.5	39.6	2.3	17.7	0.8
$15K–$19.9K	45.0	2.9	9.4	0.6	41.9	2.7	15.3	0.8
$20K–$24.9K	42.5	2.8	8.5	0.6	42.8	2.8	15.6	0.9
$25K–$29.9K	44.2	3.5	8.0	0.6	40.4	3.2	14.8	1.0
$30K–$34.9K	41.4	3.6	8.3	0.7	40.4	3.5	14.8	1.1
$35K–$49.9K	41.4	3.9	7.5	0.8	41.9	4.0	14.8	1.1
$50K–$64.9K	41.1	4.4	7.0	0.8	42.2	4.6	14.8	1.3
$65K–$79.9K	40.4	6.1	6.7	1.5	40.5	6.1	11.1	1.4
$80K–$99.9K	31.4	4.4	8.9	1.3	34.7	4.9	10.9	1.3
$100K +	34.5	5.3	6.0	1.2	32.0	4.9	10.1	1.3

1—Of pieces identified by respondent as containing an advertisement or request for funds.

Source: USPS Household Diary Study 1988

THIRD-CLASS BULK REGULAR RESPONSE TO MAIL PIECE BY EDUCATION OF HEAD

POSTAL YEAR 1987

Education of Head	Read Immediately		Set Aside		Found Useful		Definitely[1] Will Respond	
	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household
<8th Grade	43.7	2.2	7.8	0.4	35.5	1.8	14.6	0.6
Some HS	46.4	2.6	6.9	0.4	40.5	2.3	13.4	0.6
High School	44.4	3.1	7.3	0.5	40.0	2.8	15.1	0.9
Some College	41.6	3.3	7.9	0.6	41.1	3.3	15.6	1.0
Professional or Technical School	41.2	3.2	9.5	0.7	40.0	3.1	15.7	1.0
College Grad	37.7	3.7	9.3	0.9	40.5	4.0	13.4	1.1
Post-Graduate	37.3	4.4	8.9	1.0	40.6	4.8	14.1	1.4

1—Of pieces identified by respondents as containing an advertisement or request for funds.

Source: USPS Household Diary Study 1988

THIRD-CLASS REGULAR TREATMENT OF MAIL PIECE BY FAMILIARITY WITH ORGANIZATION

POSTAL YEAR 1987
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

Treatment	Organization Known, Household Does Business With Already	Organization Known	Organization Not Known	Total
READ	58.4	31.2	26.2	41.5
LOOKED AT	23.3	38.2	35.2	26.4
DISCARDED	7.0	23.5	31.1	14.0
SET ASIDE	10.2	6.3	6.4	8.1
DON'T KNOW/NO ANSWER	1.1	.8	1.2	10.0
TOTAL MAIL RECEIVED BY HOUSEHOLDS	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study 1988

THIRD-CLASS REGULAR USEFULNESS OF MAIL PIECE BY FAMILIARITY WITH ORGANIZATION

POSTAL YEAR 1987

Usefulness	Organization Known, Household Does Business With Already	Organization Known	Organization Not Known	Total
USEFUL	62.5	25.9	14.8	40.2
INTERESTING	21.7	31.7	24.4	22.0
NOT INTERESTING	10.6	32.9	46.7	21.3
OBJECTIONABLE	2.2	6.7	10.7	4.6
DON'T KNOW/NO ANSWER	3.1	2.8	3.4	12.0
TOTAL	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study 1988

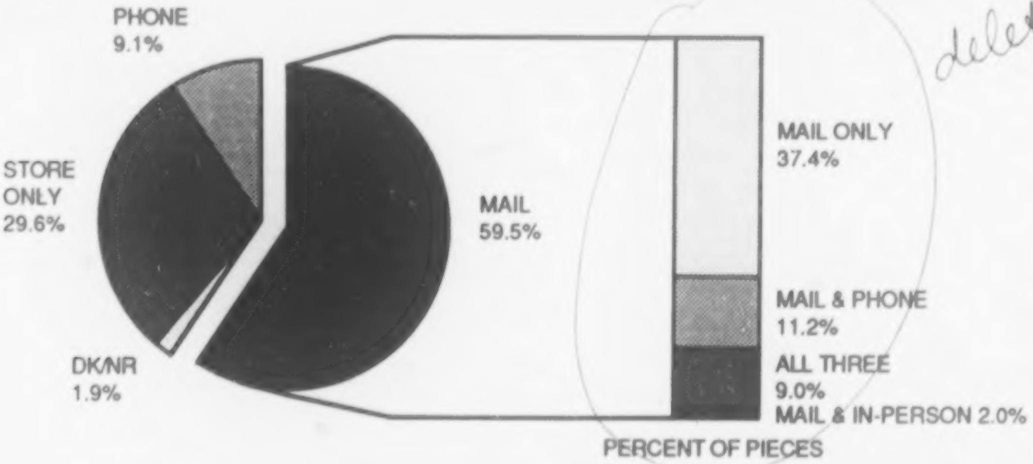
THIRD-CLASS BULK REGULAR MAIL ADDRESSEE BY RATE

POSTAL YEAR 1987
(CARRIER VS. NONCARRIER ROUTE)

Addressee	Percent of Household Mail		Pieces Per Household Per Week	
	Non Carrier Route	Carrier Route	Non Carrier Route	Carrier Route
ADDRESSED TO SPECIFIC PERSON	91.0	45.0	3.5	1.8
ADDRESSED TO OCCUPANT	7.0	54.3	0.3	2.1
DON'T KNOW/NO ANSWER	2.0	0.7	0.1	0.0
TOTAL MAIL RECEIVED BY HOUSEHOLDS	100.0	100.0	3.9	3.9

Source: USPS Household Diary Study 1988

METHODS OF RESPONSE MEDIA TO THIRD-CLASS BULK REGULAR



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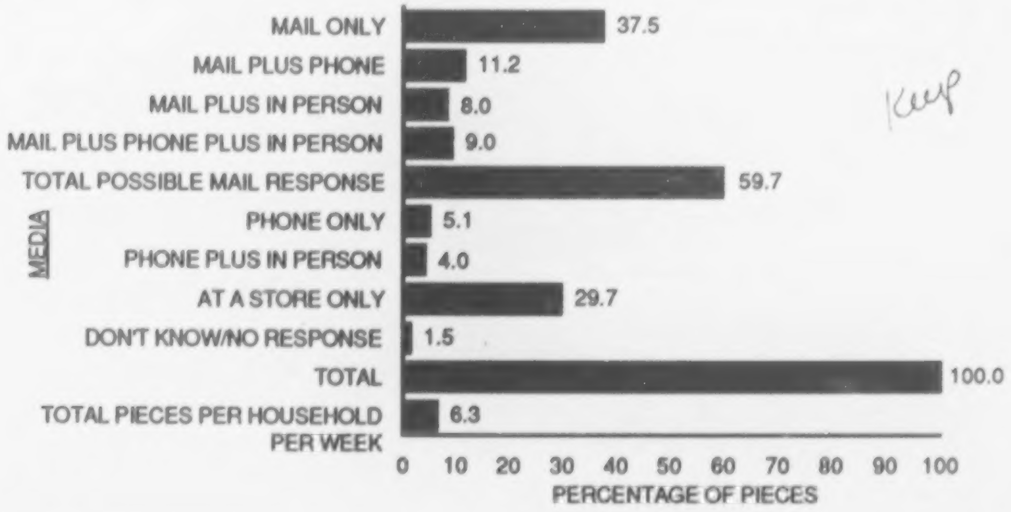
Source: USPS Postal Diary Study, 1988

THIRD-CLASS BULK REGULAR AVAILABLE RESPONSE MEDIA

(FOR MAIL PIECES CONTAINING ADVERTISING OR REQUEST FOR DONATION)

POSTAL YEAR 1987



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Source: USPS Postal Diary, 1988

THIRD-CLASS BULK REGULAR MAIL BY INDUSTRY BY QUARTER

Postal Year 1987

needs an explanation.

Industry	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
FINANCIAL				
CREDIT CARD	.23	.22	.29	.19
BANK	.19	.14	.27	.18
SECURITIES BROKER	.08	.06	.15	.07
MONEY MARKET	.01	.01	.01	.01
INSURANCE COMPANY	.29	.29	.33	.29
REAL ESTATE/MORTGAGE	.06	.04	.12	.10
OTHER FINANCIAL	.03	.02	.03	.01
TOTAL FINANCIAL	**.90**	**.78**	**1.20**	**.84**
MERCHANTS				
SUPERMARKETS	.25	.25	.24	.24
DEPARTMENT STORE	1.42	.83	1.30	1.11
MAIL ORDER COMPANY	1.14	1.36	1.27	1.31
OTHER STORE	.81	.66	.78	.65
PUBLISHER	.85	1.35	.94	1.15
LAND PROMOTION COMPANY	.05	.03	.05	.06
RESTAURANT	.06	.05	.06	.05
CONSUMER PACKAGED GOODS	.12	.15	.14	.10
AUTO DEALERS	.04	.03	.03	.06
SERVICE STATIONS	.01	.01	.01	.01
MALL	.01	.01	.01	.01
MULTI-ADS WITH COUPONS	.00	.01	.00	.01
OTHER MERCHANTS	.18	.08	.14	.08
TOTAL MERCHANTS	**4.94**	**4.82**	**4.99**	**4.84**
SERVICES				
TELEPHONE	.11	.04	.06	.04
OTHER UTILITIES	.01	.01	.02	.01
MEDICAL	.07	.04	.09	.08
OTHER PROFESSIONAL	.02	.03	.05	.03
LEISURE SERVICE	.11	.10	.18	.12
CABLE TV	.07	.05	.08	.10
COMPUTER	.02	.02	.02	.01
CRAFTSMAN	.01	.01	.02	.01
OTHER SERVICES	.12	.05	.18	.07
TOTAL SERVICES	**.54**	**.38**	**.70**	**.49**
GOVERNMENT	.07	.10	.09	.06
SOCIAL/CHARITABLE/POLITICAL/ NONPROFIT				
UNION OR PROFESSIONAL ORGANIZATION	.04	.03	.01	.02
CHURCH	.03	.01	.02	.02
VETERANS	.01	.00	.00	.00
EDUCATIONAL	.06	.05	.05	.05
CHARITIES	.02	.02	.01	.01
POLITICAL CAMPAIGN	.25	.04	.03	.03
AARP	.01	.01	.01	.01
MUSEUM	.00	.00	.00	.00
NONPROFIT PUBLICATION	.00	.01	.00	.00
OTHER SOCIAL, ETC.	.05	.01	.03	.02
TOTAL SOCIAL/CHARITABLE/ POLITICAL/NONPROFIT	**.46**	**.19**	**.17**	**.15**
DETACHED LABEL	.61	.54	.69	.60
NOT FROM ONE ORGANIZATION	.61	.37	.44	.35
DON'T KNOW/NO ANSWER	.07	.09	.09	.07
TOTAL	**8.20**	**7.27**	**8.36**	**7.39**

Source: USPS Households Diary Study, 1988

THIRD-CLASS BULK REGULAR MAIL USAGE BY INDUSTRY
POSTAL YEAR 1987

Industry	Percentage of Total Third-Class Regular	Percentage of Total Non-Carrier Route Presort Regular	Percentage of Total Carrier Route Presort Regular	Total Third-Class Regular Pieces Per HH Per Week
FINANCIAL				
CREDIT CARD	2.17	3.37	1.21	0.23
BANK	1.84	2.93	0.95	0.19
SECURITIES	0.82	1.55	0.23	0.09
MONEY MANAGEMENT	0.10	0.19	0.02	0.01
INSURANCE	2.79	4.56	1.36	0.30
MORTGAGE	0.77	1.33	0.30	0.08
OTHER FINANCIAL	0.24	0.46	0.09	0.03
TOTAL FINANCIAL	**8.73**	**14.39**	**4.16**	**0.93**
MERCHANTS				
SUPERMARKETS	2.33	0.67	3.69	0.25
DEPARTMENT STORE	11.05	6.50	14.76	1.17
MAIL ORDER	12.00	18.96	6.32	1.27
OTHER STORE	6.82	5.98	7.51	0.72
PUBLISHER	10.12	14.19	6.80	1.07
LAND PROMOTION	0.43	0.53	0.34	0.05
RESTAURANT	0.51	0.30	0.69	0.05
CONSUMER PKG GOODS	1.18	1.59	0.85	0.13
AUTO DEALERS	0.40	0.63	0.22	0.04
SERVICE STATIONS	0.11	0.10	0.11	0.01
MALL	0.11	0.02	0.19	0.01
MULTI-ADS	0.04	0.02	0.06	0.00
OTHER MERCHANTS	1.15	1.79	0.59	0.12
TOTAL MERCHANTS	**46.21**	**51.28**	**42.13**	**4.89**
SERVICES				
TELEPHONE	0.60	0.82	0.41	0.06
OTHER UTILITY	0.13	0.25	0.05	0.01
MEDICAL	0.68	1.06	0.48	0.07
OTHER PROFESSIONAL	0.29	0.54	0.09	0.03
LEISURE SERVICE	1.21	1.95	0.60	0.13
CABLE TV	0.70	1.16	0.31	0.07
COMPUTER	0.18	0.38	0.02	0.02
CRAFTSMAN	0.13	0.90	0.16	0.01
OTHER SERVICES	1.07	1.41	0.76	0.11
TOTAL SERVICES	**4.99**	**8.47**	**2.88**	**0.51**
GOVERNMENT				
GOVERNMENT	0.76	0.98	0.53	0.08
FINANCIAL				
SOCIAL CHARITABLE, POLITICAL/NON-PROFIT				
UNION OR PROFESSIONAL	0.26	0.44	0.09	0.03
CHURCH	0.16	0.29	0.06	0.02
VETERANS	0.02	0.05	0.01	0.00
EDUCATIONAL	0.51	0.95	0.15	0.05
CHARITIES	0.10	0.16	0.05	0.01
POLITICAL	0.82	1.13	0.56	0.09
AARP	0.10	0.16	0.05	0.01
MUSEUM	0.01	0.02	0.00	0.00
NON-PROFIT PUBLICATION	0.01	0.02	0.00	0.00
OTHER SOCIAL/ CHARITABLE/ POLITICAL/NON-PROFIT	0.27	0.46	0.17	0.03
TOTAL SOCIAL/ CHARITABLE POLITICAL/NON-PROFIT	**2.26**	**3.68**	**1.14**	**0.25**
DETACHED LABEL	5.75	0.37	10.14	0.61
NOT FROM ONE ORG.	4.17	1.63	5.04	0.44
DON'T KNOW/NO ANSWER	0.82	1.01	1.02	0.08
TOTAL PIECES RECEIVED BY HOUSEHOLDS	**73.69**	**81.79**	**67.08**	**7.79**

Source: USPS Household Diary Study 1988

THIRD-CLASS BULK REGULAR MAIL REACTION BY INDUSTRY
POSTAL YEAR 1987
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

Keep.
attitude
section

Industry	Percent Pieces Read Immediately and Completely	Percent Pieces Put Aside for Later Reading	Percent Pieces Found Useful	Percent[1] Pieces Will Respond
FINANCIAL				
CREDIT CARD	39.5	6.1	29.3	8.3
BANK	38.8	4.0	31.1	8.1
SECURITIES BROKER	40.4	11.7	42.5	8.4
MONEY MARKET	45.6	5.4	53.7	1.9
INSURANCE	33.9	4.3	24.6	6.4
REAL ESTATE/MORTGAGE	29.3	3.1	21.3	2.7
TOTAL FINANCIAL	**37.2**	**5.3**	**29.5**	**7.3**
MERCHANTS				
SUPERMARKET	40.3	5.8	52.2	26.8
DEPARTMENT STORE	45.3	9.7	53.9	15.6
MAIL ORDER	42.9	12.0	41.9	15.3
OTHER STORE	40.1	8.6	43.4	14.4
PUBLISHER	43.1	7.5	35.3	17.1
LAND PROMOTION	26.3	4.1	7.7	4.1
RESTAURANT	49.9	3.4	51.9	19.5
CONSUMER PKGD GOODS	**63.4**	5.6	**59.1**	**32.1**
AUTO DEALER	37.3	3.2	32.6	8.7
SERVICE STATION	35.9	2.8	13.2	1.7
MALL	22.4	14.2	45.3	9.4
TOTAL MERCHANTS	**43.5**	**9.1**	**44.1**	**16.3**
SERVICES				
TELEPHONE	49.9	5.7	46.6	14.4
OTHER UTILITIES	49.9	7.2	56.4	11.6
MEDICAL	44.3	5.2	41.0	6.8
OTHER PROFESSIONAL	53.2	6.4	42.4	12.2
LEISURE SERVICE	41.6	8.1	36.9	7.8
CABLE TV	51.5	9.2	43.7	8.4
COMPUTER	40.5	7.2	39.8	12.5
TOTAL SERVICES	**44.1**	**6.5**	**38.0**	**9.6**
GOVERNMENT				
STATE & LOCAL GOVT	48.7	15.6	57.6	18.6
SOCIAL CHARITABLE OR POLITICAL				
UNION/PROFESSIONAL	49.5	7.6	55.9	11.3
CHURCH	51.8	3.6	39.7	6.6
VETERANS	76.3	2.4	42.6	4.1
EDUCATIONAL	46.4	5.4	40.0	6.3
CHARITIES	53.1	.6	29.7	8.6
POLITICAL	37.5	8.1	27.6	13.0
AARP	59.4	7.0	57.1	37.9
NON-PROFIT PUBLICATION	42.5	2.7	31.4	0.0
TOTAL SOCIAL CHARITABLE OR POLITICAL	**45.2**	**6.4**	**37.8**	**9.2**

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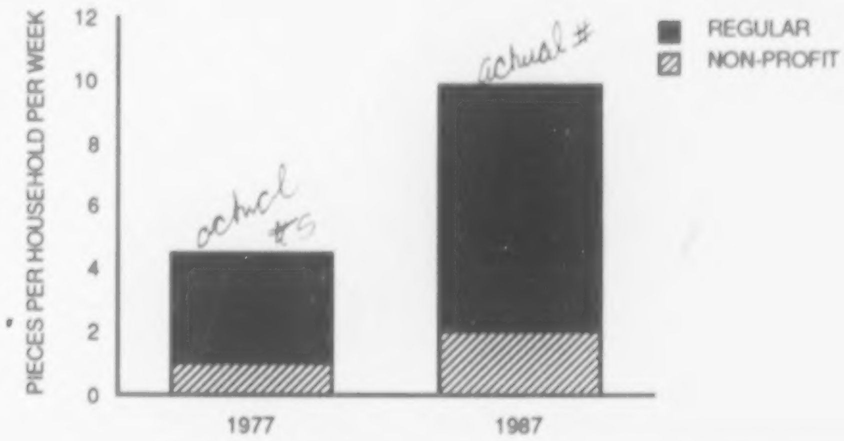
[1] —Of pieces containing an advertisement or a request for funds.

Source: USPS Household Diary Study 1988

THIRD-CLASS BULK MAIL RECEIPT BY SUBCLASS



actual #s

actual #

Source: USPS Household Diary Study, 1988

THIRD-CLASS REGULAR TREATMENT BY SHAPE

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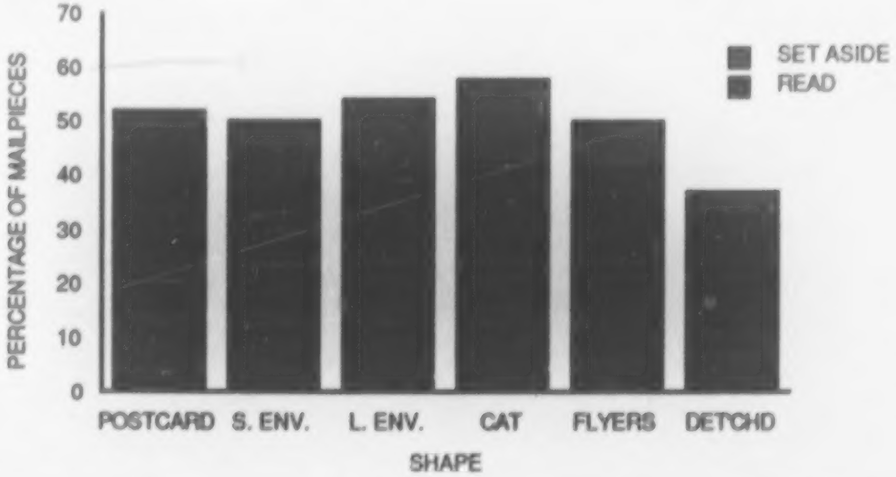
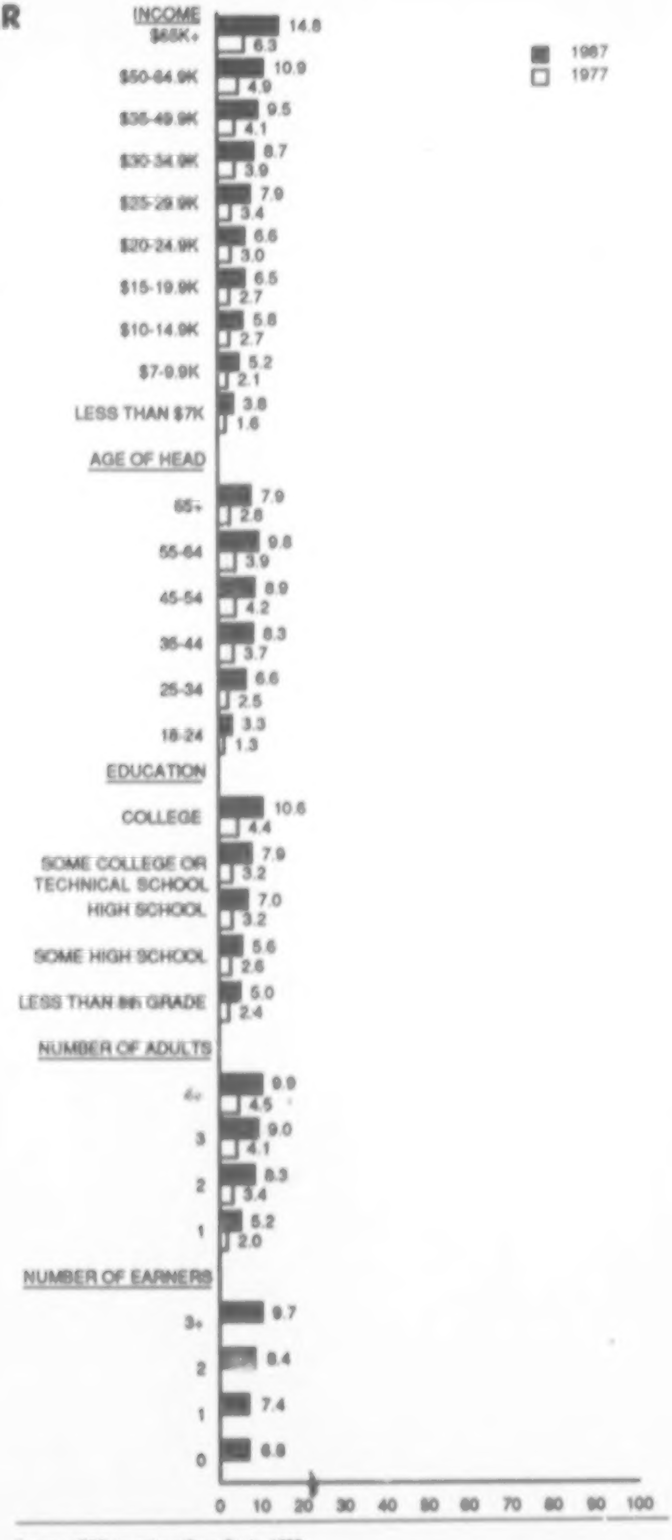


Source: USPS Household Diary Study, 1988

THIRD-CLASS BULK REGULAR DEMOGRAPHICS

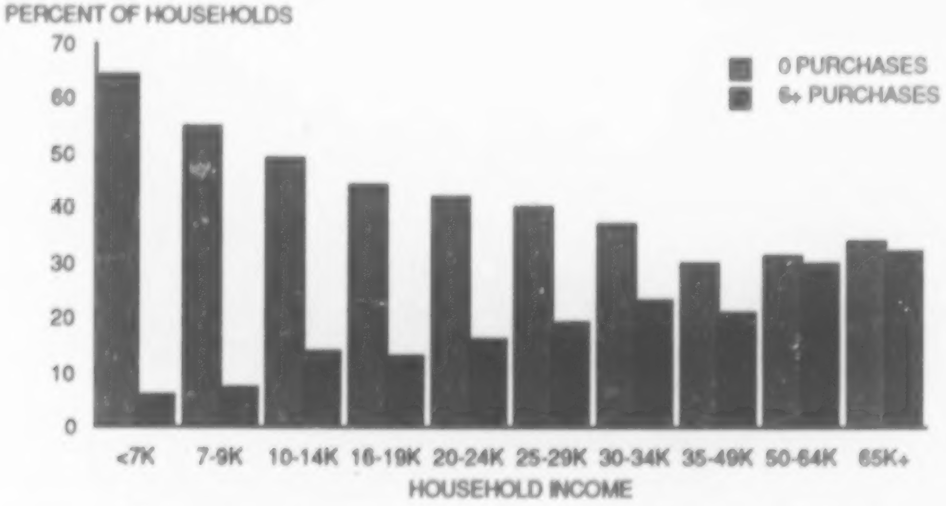
PIECES PER HOUSEHOLD PER WEEK
CY 1977 AND PY 1987

get overall number.



Source: USPS Household Diary Study 1988

LAST YEAR MAIL ORDER PURCHASES BY INCOME



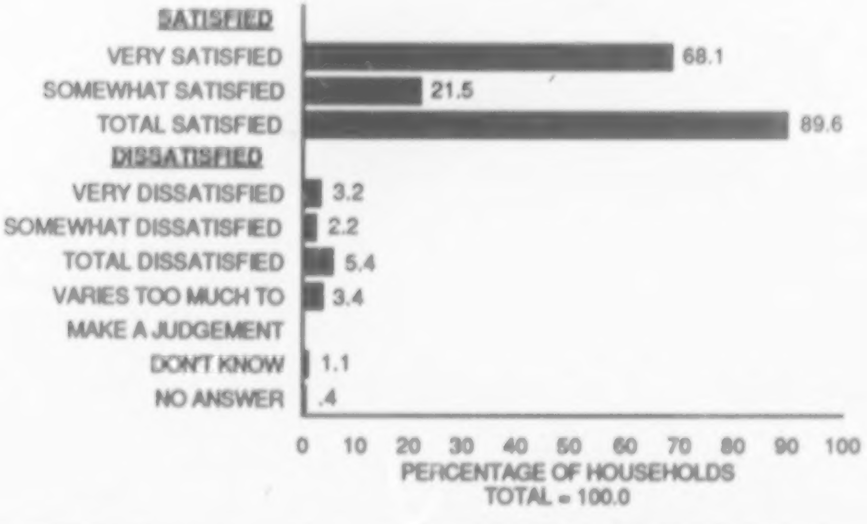
Keep

Source: USPS Household Diary Study, 1988

SATISFACTION WITH MERCHANDISE RECEIVED THROUGH THE MAIL

(ANSWERED ONLY IF ORDERED IN PAST YEAR)
POSTAL YEAR 1987

Keep



Source: USPS Household Diary Study, 1988

THIRD-CLASS BULK MAIL RECEIVED CY 1977 AND PY 1987

	Percentage of Total Rate Category		Pieces Per Household Per Week	
	1977	1987	1977	1987
Regular				
Non-Carrier Route Presort (non-package)	—	81.8	—	3.88
Carrier Route Presort (non-package)	—	67.1	—	3.90
Packages	—	.5*	—	.07
Total Regular	72.6	74.3	3.22	7.85
Non-Profit				
Non-Carrier Route Presort	—	82.4	—	1.55
Carrier Route Presort	—	69.3	—	.35
Total Non-Profit	66.1	79.6	1.17	1.90
Total Third-Class Bulk Mail Received By Households	70.6	75.3	4.39	9.76

*—Percentage of Total Third-Bulk Regular

Source: USPS Household Diary Study 1988

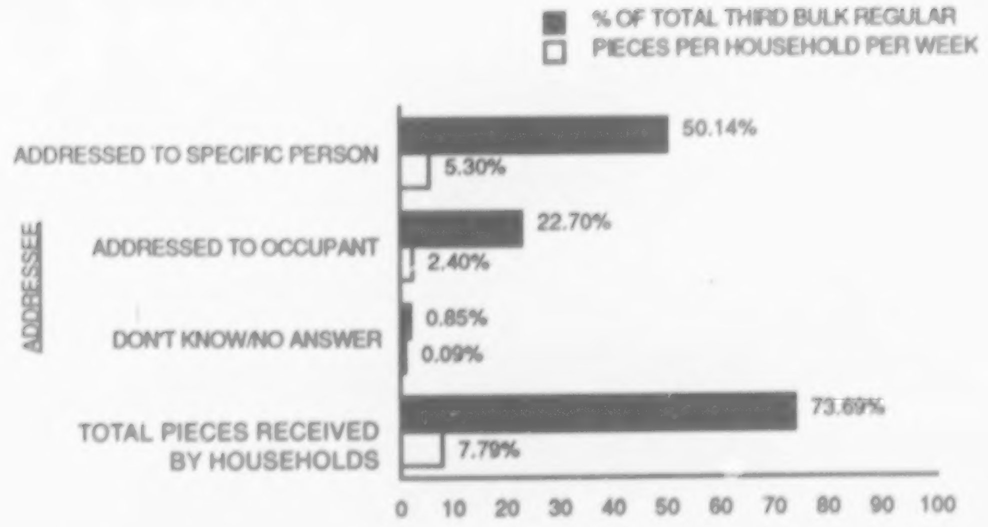
Keep

THIRD-CLASS MAIL BULK REGULAR POSTAL YEAR 1987

ADDRESSEE

(PERCENTAGE OF TOTAL BULK REGULAR MAIL)

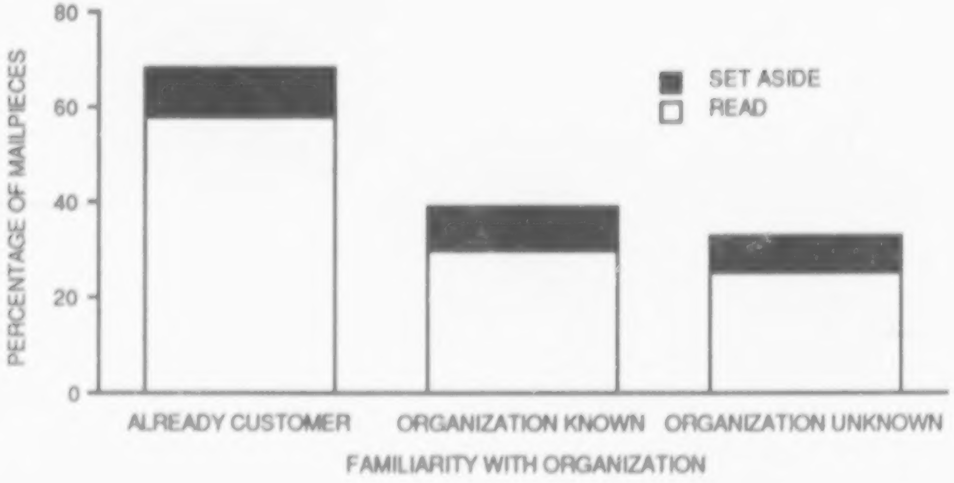
Keep.



Source: USPS Household Diary Study 1988

THIRD CLASS REGULAR TREATMENT BY FAMILIARITY WITH ORGANIZATION

Keep

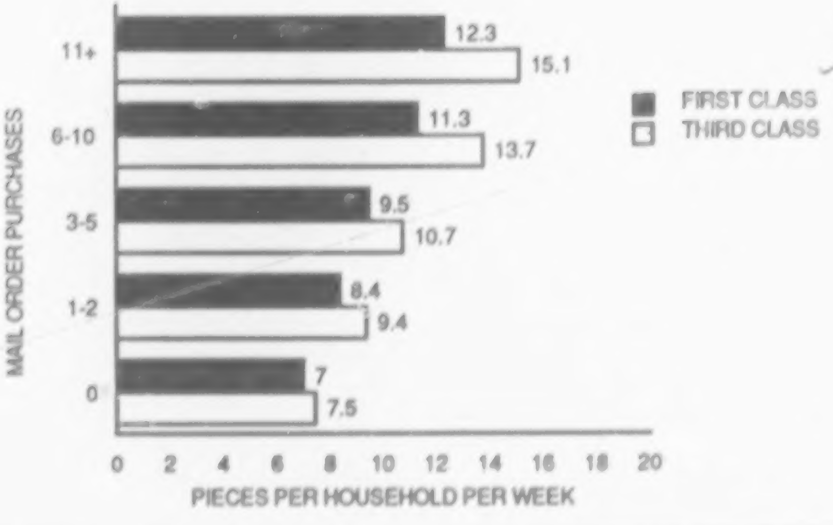


Source: USPS Household Diary Study, 1988

RECEIPT OF FIRST- AND THIRD-CLASS MAIL BY NUMBER OF MAIL ORDER PURCHASES MADE IN THE PAST YEAR

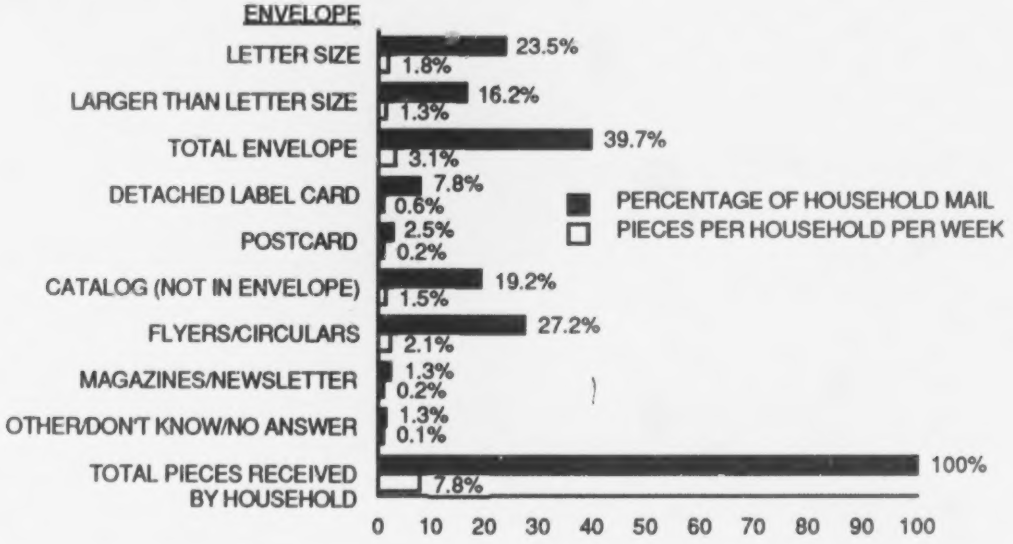
POSTAL YEAR 1987

Keep



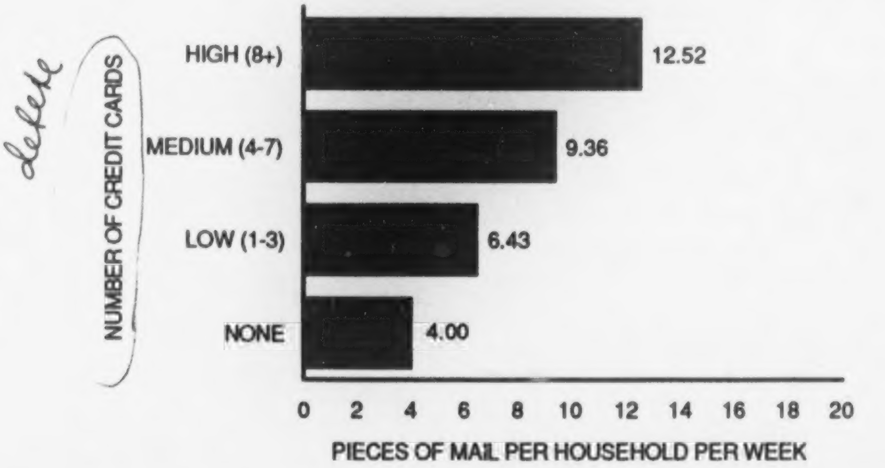
Source: USPS Household Diary Study, 1988

THIRD-CLASS BULK REGULAR MAIL BY SHAPE
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)
POSTAL YEAR 1987



Source: USPS Household Diary Study, 1988

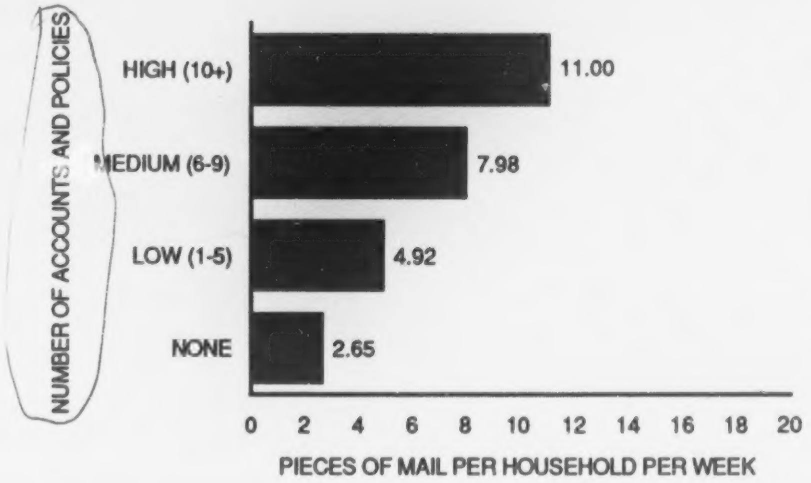
THIRD-CLASS BULK REGULAR MAIL RECEIPT BY NUMBER OF CREDIT CARDS
POSTAL YEAR 1987



Source: USPS Household Diary Study, 1988

THIRD-CLASS BULK REGULAR RECEIPT BY NUMBER OF FINANCIAL ACCOUNTS AND INSURANCE POLICIES

POSTAL YEAR 1987

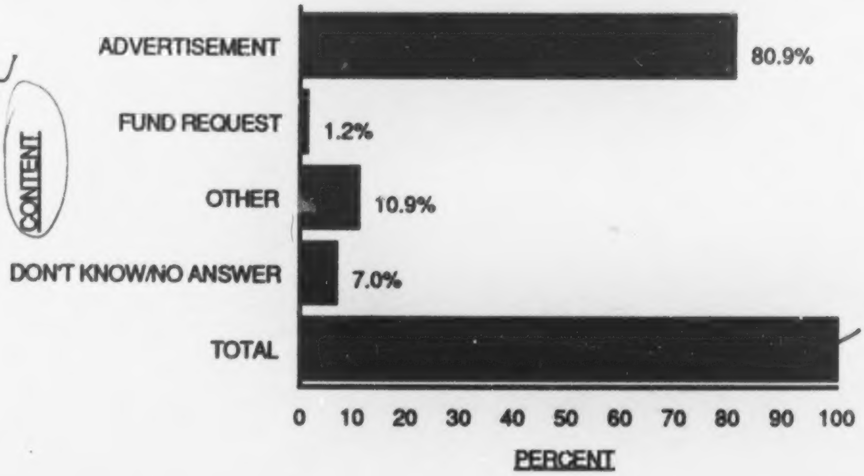


delete

Source: USPS Household Diary Study, 1988

THIRD-CLASS BULK REGULAR CONTENT OF MAILPIECE

(PERCENTAGE OF BULK REGULAR MAIL RECEIVED BY HOUSEHOLDS)
POSTAL YEAR 1987



delete

delete

Source: USPS Household Diary Study, 1988

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1989
STATISTICAL FACT BOOK

CURRENT INFORMATION ABOUT DIRECT MARKETING AND DIRECT RESPONSE ADVERTISING

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DIRECT MARKETING ASSOCIATION

The Direct Marketing Association, Inc., established in 1917, is the largest and oldest international trade association representing users, creators and suppliers of direct mail advertising and other direct marketing techniques. DMA's 5,698 members from 3,991 companies represent a cross section of business and are located in all 50 states and 35 other countries.

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HOW TO USE THE 1989 STATISTICAL FACT BOOK

The Direct Marketing Association's 1989 Statistical Fact Book offers a quantified view of the "state-of-the-art" for virtually all aspects of direct marketing. This statistical guide is designed *to help direct marketers who are looking for precise facts and figures to support important critical proposals, seize lucrative opportunities and avoid costly mistakes.*

Significantly, DMA is uniquely positioned to develop, acquire and compile direct marketing data which detail the status and direction of direct response:

- Advertising
- Media
- Lists/Databases
- Market Applications
- Practical Management Information

The purpose of this statistical resource is to provide direct marketers easy access to authoritative data that will be helpful in making informed marketing decisions and media choices, in supporting proposed business and marketing strategies and in making the most cost effective expenditure decisions. More than 320 charts and graphs:

- Highlight important media and market growth and usage trends by specific media and markets;
- Pinpoint consumer and business attitudes and buying habits concerning direct marketing;
- Quantify and compare marketers' outlooks and expectations on key issues;
- Provide valuable expenditure, production and operating cost figures.

The 1989 Statistical Fact Book is designed not only to provide the latest direct marketing statistics, but also to indicate how the numbers were derived. *The book consists of five sections:1)Direct Response Advertising; 2) Media; 3) Lists/Databases; 4) Markets and; 5) Basic Management Information.* All primary research studies used and their sources are listed by title, sample and respondent size and by type of methodology used. Other sources are recognized by citations within individual sections. In addition, an index is included for easy access to specific data.

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Mary Jean Barnes
Project Director &
Manager, Information
Products & Services

Ann Zeller
Vice President,
Information & Special
Projects

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DIRECT RESPONSE ADVERTISING TRENDS

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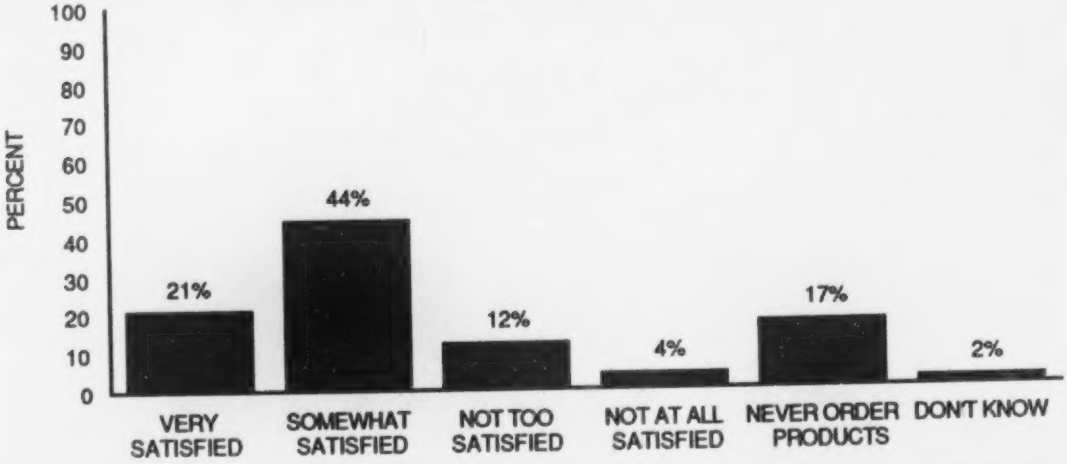
ATTITUDES TOWARD PROMOTIONS AND MERCHANDISE ORDERED

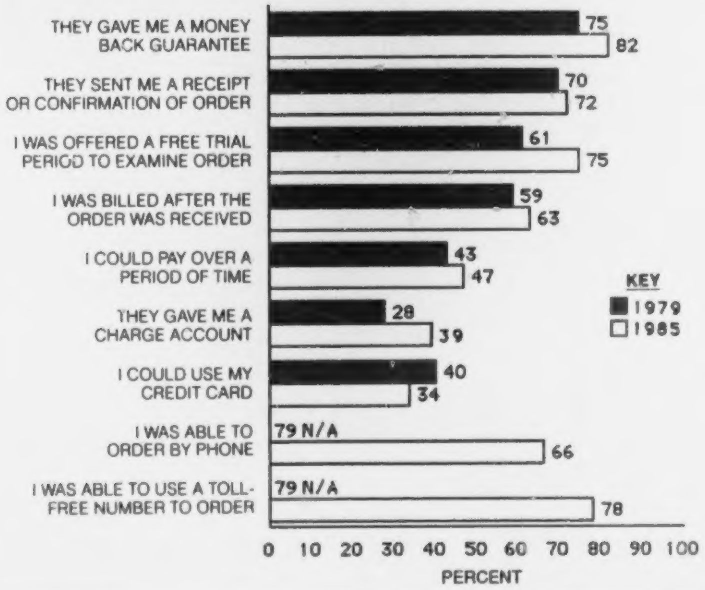
The Gallup Organization's survey investigating consumer attitudes toward the promotions and the merchandise they order was conducted by telephone during July 1986 among 1,027 adults.

Overall, how satisfied have you been with the products or services you buy from offers received in the mail or by phone?



Source: Target Marketing, Gallup Organization, September 1986

I WOULD BUY MORE VIA DIRECT RESPONSE IF:



Source: Ogilvy & Mather Direct, A Look Before We Leap Into the 1980's, 1979. Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986.

ORDERING PRODUCT OR SERVICE BY MAIL/PHONE AFTER SEEING MAGAZINE/TELEVISION AD FOR IT (DURING PAST MONTH)

		MEN		WOMEN	
		MAGAZINES	TV	MAGAZINES	TV
	TOTAL U.S.	27%	14%	28%	14%
BY EDUCATION:	DID NOT GRADUATE H.S.	22%	13%	24%	10%
	GRADUATED HIGH SCHOOL	24	16	25	19
	ATTENDED COLLEGE	30	16	31	12
	GRADUATED COLLEGE	29	11	30	13
BY HOUSEHOLD INCOME:	UNDER $15,000	25%	14%	28%	13%
	$15,000–$24,999	25	17	28	15
	$25,000–$34,999	29	14	23	15
	$35,000 OR MORE	30	15	32	13
BY AGE:	18–24	31%	15%	28%	17%
	25–34	25	12	36	14
	35–44	32	16	26	18
	45–54	26	20	27	18
	55–64	23	10	27	11
	65 & OLDER	24	14	18	7
BY OCCUPATION:	PROF./MGR./OWNER	30%	16%	31%	14%
	WH.COL./SALES/CLER.	30	15	32	11
	BLUE COLLAR	29	16	30	20
	NOT EMPLOYED	20	9	25	14

Source: Magazine Publishers of America, "Study of Media Involvement," November 1986.

ITEMS ORDERED BY MAIL OR PHONE IN LAST 12 MONTHS

The Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Bold Type #'s and % = 1988
Regular Type #'s and % = 1987

	By Mail or Phone		By Mail		By Phone	
	'000	%	'000	%	'000	%
Auto Accessories	**4504**	**2.6**	**3263**	**1.9**	**1544**	**.9**
	3770	2.2	2546	1.5	1449	.8
Cookbooks	**4494**	**2.5**	**4203**	**2.4**	**309**	**.2**
	3193	1.8	2903	1.7	336	.2
Books from Book Clubs	**9457**	**5.4**	**9115**	**5.2**	**534**	**.3**
	9094	5.2	8531	4.9	685	.4
Other Books	**7311**	**4.1**	**6726**	**3.8**	**812**	**.5**
	6093	3.5	5635	3.2	659	.4
Greeting Cards	**4643**	**2.6**	**4257**	**2.4**	**412**	**.2**
	4139	2.4	3933	2.3	239	.1
Stationery	**3727**	**2.1**	**3510**	**2.0**	**246**	**.1**
	3361	1.9	3180	1.8	256	.1
Cosmetics	**5548**	**3.1**	**4482**	**2.5**	**1245**	**.7**
	4414	2.5	3942	2.3	631	.4
Records	**6300**	**3.6**	**5717**	**3.2**	**857**	**.5**
	6128	3.5	5164	3.0	1102	.6
Prerecorded Audio Cassette Tapes	**7673**	**4.4**	**6581**	**3.7**	**1247**	**.7**
	6693	3.9	5654	3.3	1227	.7
Stereo Equipment	**842**	**.5**	**509**	**.3**	**358**	**.2**
	1213	.7	877	.5	370	.2
Computer Software	**2479**	**1.4**	**1678**	**1.0**	**1171**	**.7**
	1757	1.0	1255	.7	773	.4
Other Electronic Equipment	**2050**	**1.2**	**1549**	**.9**	**597**	**.3**
	1749	1.0	1090	.6	789	.5
Magazines	**25281**	**14.3**	**24231**	**13.7**	**1873**	**1.1**
	21361	12.3	19977	11.5	2076	1.2
Photo Processing	**5448**	**3.1**	**5206**	**3.0**	**284**	**.2**
	4298	2.5	4205	2.4	106	.1
Food	**2463**	**1.4**	**1744**	**1.0**	**800**	**.5**
	2301	1.3	1805	1.0	612	.4
Shoes or Boots	**6442**	**3.7**	**4642**	**2.6**	**2009**	**1.1**
	6749	3.9	4810	2.8	2223	1.3
Clothing	**19804**	**11.2**	**15134**	**8.6**	**6524**	**3.7**
	20820	12.0	16010	9.2	6810	3.9
Needlecraft Kits and Supplies	**3514**	**2.0**	**3035**	**1.7**	**536**	**.3**
	3608	2.1	3362	1.9	335	.2
Toys	**5235**	**3.0**	**3884**	**2.2**	**1618**	**.9**
	6563	3.8	4765	2.7	1974	1.1
Sporting Goods	**4289**	**2.4**	**3078**	**1.7**	**1304**	**.7**
	4349	2.5	3152	1.8	1563	.9
Gardening Equipment/Tools	**2098**	**1.2**	**1612**	**.9**	**563**	**.3**
	1810	1.0	1624	.9	324	.2
Workshop Tools	**2652**	**1.5**	**2050**	**1.2**	**778**	**.4**
	2246	1.3	1554	.9	801	.5
Coins (Numismatic)	**1538**	**.9**	**1270**	**.7**	**309**	**.2**
	1039	.6	944	.5	122	.1
Medallions, Commemorative Plates, etc.	**1080**	**.6**	**942**	**.5**	**193**	**.1**
	1150	.7	1003	.6	146	.1
Furniture	**1623**	**.9**	**1063**	**.6**	**570**	**.3**
	1535	.9	1043	.6	505	.3
Cookware and Kitchen Accessories	**4677**	**2.7**	**4125**	**2.3**	**694**	**.4**
	4288	2.5	3813	2.2	597	.3
Small Appliances	**2068**	**1.2**	**1555**	**.9**	**553**	**.3**
	1619	.9	1206	.7	419	.2
Banking Information	**2749**	**1.6**	**1798**	**1.0**	**1252**	**.7**
	2528	1.5	1732	1.0	1026	.6

ITEMS ORDERED BY MAIL OR PHONE IN LAST 12 MONTHS

Bold Type #'s and % = 1988
Regular Type #'s and % = 1987

	By Mail or Phone		**By Mail**		**By Phone**	
	'000	**%**	**'000**	**%**	**'000**	**%**
Investment Information/ Newsletter	**1779**	**1.0**	**1457**	**.8**	**461**	**.3**
	2499	1.4	2153	1.2	563	.3
Credit Cards	**6346**	**3.6**	**5880**	**3.3**	**663**	**.4**
	5840	3.4	5374	3.1	781	.4
Insurance	**3720**	**2.1**	**2616**	**1.5**	**1352**	**.8**
	2998	1.7	2098	1.2	1049	.6
Real Estate Information	**1379**	**.8**	**884**	**.5**	**710**	**.4**
	1408	.8	1046	.6	506	.3
Travel Information	**7991**	**4.5**	**6036**	**3.4**	**2872**	**1.6**
	6816	3.9	5139	3.0	2447	1.4
Educational Programs	**1952**	**1.1**	**1574**	**.9**	**402**	**.2**
	1323	.8	990	.6	408	.2
Trees, Plants, Seeds	**5873**	**3.3**	**5588**	**3.2**	**393**	**.2**
	6056	3.5	5720	3.3	526	.3
Vitamins	**2853**	**1.6**	**2411**	**1.4**	**481**	**.3**
	3736	2.2	3416	2.0	449	.3
Other Items (not listed)	**10748**	**6.1**	**9055**	**5.1**	**2707**	**1.5**
	12512	7.2	9921	5.7	3645	2.1
None			**5688**	**3.2**	**41722**	**23.7**
			8142	4.7	38731	22.3
Do Not Know	**25956**	**14.7**	**25668**	**14.6**	**25916**	**14.7**
	7561	4.4	6713	3.9	7305	4.2

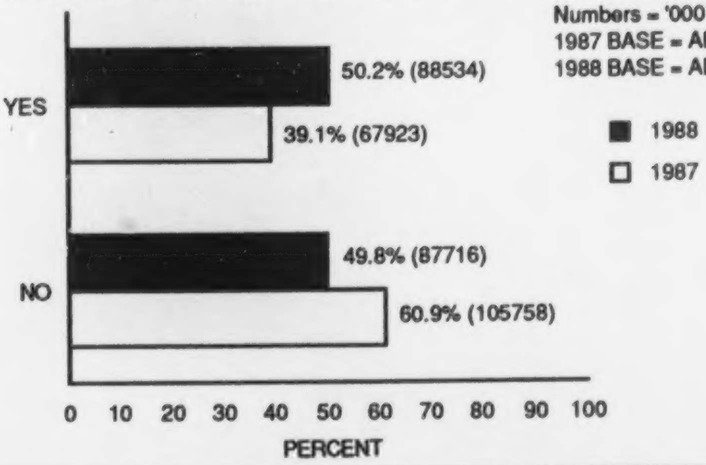
Source: Simmons Market Research Bureau: 1987 & 1988 Study of Media and Markets.

MAIL AND PHONE ORDER

The Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Have you yourself ordered any merchandise by mail or phone in the last 12 months through offers in magazines, newspapers, on television or radio, in catalogs or from direct mail pieces?

Numbers = '000
1987 BASE = ADULTS (173681)
1988 BASE = ADULTS (176250)



Source: Simmons Market Research Bureau: 1987 & 1988 Study of Media and Markets.

MAIL AND PHONE ORDERS
Amount Spent on all Merchandise and Services Ordered in Last 12 Months

The Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Bold Type #'s and % = 1988
Bottom #'s and % = 1987

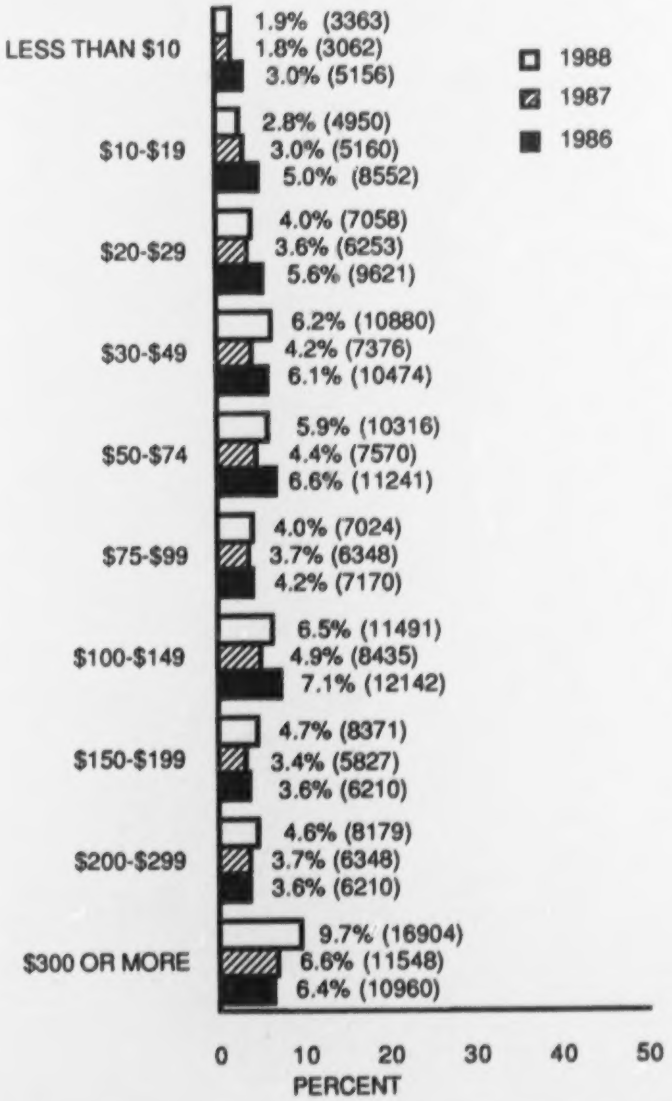
	Total U.S. '000	Ordered by Mail or Phone in last 12 months '000	%	Less than $50 '000	%	$50–$149 '000	%	$150 or More '000	%
Total Adults	**176250**	**88534**	**50.2**	**26251**	**14.9**	**28831**	**16.4**	**33453**	**19.0**
	173681	67923	39.1	21850	12.6	22350	12.9	23723	13.7
Males	**84066**	**37142**	**44.2**	**10116**	**12.0**	**11949**	**14.2**	**15077**	**17.9**
	82598	27558	33.4	9075	11.0	8783	10.6	9700	11.7
Females	**92184**	**51392**	**55.7**	**16135**	**17.5**	**16882**	**18.3**	**18375**	**19.9**
	91083	40365	44.3	12775	14.0	13567	14.9	14023	15.4
18–24	**26535**	**11178**	**42.1**	**3876**	**14.6**	**3783**	**14.3**	**3518**	**13.3**
	27154	9363	34.5	3618	13.3	3252	12.0	2492	9.2
25–34	**42634**	**21857**	**51.3**	**6564**	**15.4**	**6809**	**16.0**	**8484**	**19.9**
	42000	17842	42.5	5708	13.6	5726	13.6	6408	15.3
35–44	**33688**	**19457**	**57.8**	**5242**	**15.6**	**6093**	**18.1**	**8122**	**24.1**
	32529	14531	44.7	4423	13.6	4151	12.8	5956	18.3
45–54	**23361**	**12769**	**54.7**	**3481**	**14.9**	**3872**	**16.6**	**5416**	**23.2**
	22698	9460	41.7	2629	11.6	3501	15.4	3330	14.7
55–64	**22021**	**11202**	**50.5**	**3207**	**14.6**	**3864**	**17.5**	**4131**	**18.8**
	21980	8754	39.8	2507	11.4	2893	13.2	3354	15.3
65 or older	**28011**	**12072**	**43.1**	**3881**	**13.9**	**4410**	**15.7**	**3782**	**13.5**
	27319	7973	29.2	2965	10.9	2827	10.3	2182	8.0
Northeast-Census	**37366**	**18442**	**49.4**	**5579**	**14.9**	**4441**	**11.9**	**8422**	**22.5**
	37504	14100	37.6	4798	12.8	3953	10.5	5349	14.3
Midwest	**43426**	**24756**	**57.0**	**6678**	**15.4**	**8620**	**19.8**	**9458**	**21.8**
	42665	18952	44.4	6128	14.4	6070	14.2	6756	15.8
South	**60402**	**28951**	**47.9**	**9500**	**15.7**	**9019**	**14.9**	**10432**	**17.3**
	59354	20984	35.4	6864	11.6	7159	12.1	6962	11.7
West	**35057**	**16386**	**46.7**	**4494**	**12.8**	**6751**	**19.3**	**5140**	**14.7**
	34158	13887	40.7	4062	11.9	5169	15.1	4657	13.6
Household income $60,000+	**20289**	**12111**	**59.7**	**2703**	**13.3**	**3606**	**17.8**	**5803**	**28.6**
	16548	8002	48.4	1904	11.5	2281	13.8	3817	23.1
$50,000 or more	**31340**	**18225**	**58.2**	**4347**	**13.9**	**5398**	**17.2**	**8490**	**27.1**
	26626	12973	48.7	3413	12.8	3893	14.6	5667	21.3
$40,000 or more	**53108**	**30886**	**58.2**	**7711**	**14.5**	**9511**	**17.9**	**13664**	**25.7**
	47419	22277	47.0	5882	12.4	7055	14.9	9341	19.7
$30,000 or more	**82233**	**46887**	**57.0**	**12244**	**14.9**	**15129**	**18.4**	**19514**	**23.7**
	76841	35515	46.2	9531	12.4	11571	15.1	14413	18.8
$30,000–$39,999	**29126**	**16001**	**54.9**	**4532**	**15.6**	**5618**	**19.3**	**5851**	**20.1**
	29422	13238	45.0	3649	12.4	4517	15.4	5073	17.2
$20,000–$29,999	**34891**	**18755**	**53.8**	**5680**	**16.3**	**6106**	**17.5**	**6969**	**20.0**
	35594	14448	40.6	4906	13.8	4768	13.4	4774	13.4
$10,000–$19,999	**37097**	**16074**	**43.3**	**5402**	**14.6**	**5356**	**14.4**	**5315**	**14.3**
	36140	11745	32.5	4277	11.8	4234	11.7	3234	8.9
Under $10,000	**22029**	**6818**	**31.0**	**2924**	**13.3**	**2240**	**10.2**	**1654**	**7.5**
	25107	6216	24.8	3136	12.5	1778	7.1	1302	5.2

Source: Simmons Market Research Bureau: 1987 & 1988 Study of Media and Markets

TOTAL AMOUNT SPENT ON MERCHANDISE & SERVICES ORDERED BY MAIL OR PHONE

The Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

For the merchandise and services ordered by mail or phone, what is the total amount you yourself spent in the last 12 months?



Source: Simmons Market Research Bureau: 1987 & 1988 Study of Media and Markets

DIRECT RESPONSE ADVERTISING AGENCIES U.S. GROSS BILLINGS

	BILLINGS (IN MILLIONS)	
	1988	1987 +
AGENCIES REPORTING FEES AND COMMISSIONS ONLY		
OGILVY & MATHER DIRECT	272.0	260.0
WUNDERMAN WORLDWIDE*	266.0	260.0 +
RAPP COLLINS MARCOA[1,2]	210.5	200.0 +
FOOTE, CONE & BELDING DIRECT	169.0	150.6 +
GREY DIRECT INTERNATIONAL	108.0	103.0
KOBS & DRAFT ADVERTISING, INC.	90.2	85.3
CHAPMAN STONE & ADLER	83.6	75.0
BARRY BLAU & PARTNERS, INC.*	82.5	72.3 +
UNISPOND INC.[3]	62.6	57.0
HDM DIRECT MARKETING GROUP	57.0	N/A
LOWE MARSCHALK, INC.	55.0	51.0
DEVON DIRECT MARKETING & ADV., INC.*	51.4	40.0
LINTAS DIRECT	51.0	48.0
McCANN DIRECT	51.0	53.0 +
ERIC MOWER AND ASSOCIATES, INC.*	50.5	48.8
SAATCHI & SAATCHI DIRECT[1,2]	48.7	28.5 +
McCAFFREY AND McCALL DIRECT MARKETING	46.2	64.3
DMB&B DIRECT, INC.*	43.7	37.3 +
AYER DIRECT/DIVISION OF NW AYER, INC.	39.4	33.4
GSP MARKETING SERVICES*	39.4	41.7
SAUGATUCK/FKB	36.6	N/A
BOZELL, JACOBS, KENYON & ECKHARDT, INC.	34.1	40.1
GILLESPIE ADVERTISING, INC.*	33.0	27.5 +
LAWRENCE BUTNER ADVERTISING, INC.*	24.3	27.2
MULDOON DIRECT INC.	19.7	14.1
KARL ROVE & COMPANY	19.7	23.3
SHARP HARTWIG, INC.	19.6	16.3
CRAMER-KRASSELT/DIRECT*	18.4	16.7 +
BRIERLEY & PARTNERS*	17.8	8.7
STEINERT & ASSOCIATES, INC.	17.0	21.3
WAKEMAN & DeFORREST	16.6	16.0
HERRING NEWMAN, INC.*[4]	16.1	10.1 +
THE WALTER LATHAM COMPANY*[5]	16.0	13.0
CLARK DIRECT MARKETING, INC.	15.3	16.7
HUNTSINGER & JEFFER, INC.	15.2	14.1
CABOT DIRECT MARKETING*	15.0	9.0
THE TOWNSEND AGENCY, LTD.*	14.6	13.7
WILSON SCULLEY ASSOCIATES, INC.	14.3	10.7
THE DIRECT MARKETING AGENCY, INC.[6]	14.0	N/A
E. JAMES WHITE COMPANY, INC.	12.5	12.0
TRACY-LOCKE DIRECT (DALLAS, TX)[7]	12.0	12.0 +
HAL LANGERMAN COMPANY	11.9	11.4 +
HAYNES AND PITTENGER DIRECT*[1,2]	11.4	3.8
THE GRIFFIN AGENCY	11.0	11.4
COMMUNIQUE, INC.*	10.2	9.7
NASH DIRECT, INC.	9.6	5.9
AD HOC MARKETING RESOURCES, INC.	8.7	8.5 +
SOUTHERN MARKETING SERVICES, INC.[1]	7.4	5.9
ASSOCIATES & LARRANAGA	7.2	5.6 +
LORTZ DIRECT MARKETING, INC. (LDMI)	7.1	6.3
MMI DIRECT, INC.	6.2	5.6
KERN/MATHAI DIRECT MARKETING[8]	6.1	5.2
SMITH LASK ASSOCIATES, INC.[1]	5.6	5.4
SHELDON FREDERICKS ADV. INC.	5.4	5.1
HELEN SHONBRUN, INC.	5.4	3.6
RONALD JAMES DIRECT, INC.	5.0	3.7
CREATIVE DIRECT MARKETING GROUP, INC.	4.5	5.0
KETCHUM COMMUNICATIONS, INC.	4.2	7.9
DIRECT MARKETING NETWORK, INC.[1]	4.2	3.6
DDA DIRECT	4.0	2.1
SRH DIRECT MARKETING	3.8	2.6
SADER & ASSOCIATES, INC.*	3.8	3.2
TARGET SALES RESPONSE MARKETING	3.7	2.0
BERNSTEIN AND SUCHERMAN, INC.[2]	3.6	3.3
ARAGON SALES DEVELOPMENT SERVICES	3.5	4.1
SHAUGHNESSY MacDONALD, INC.	2.9	2.5
CARMICHAEL LYNCH*	2.7	2.2 +
PRINCETON DIRECT, INC.	2.7	1.7
NORTHWEST DIRECT-DIRECT RESPONSE ADV. & DB MKTG.	2.2	.6
TAURUS MARKETING	2.1	2.7
HARRIS BRANDT ADVERTISING, INC.*	1.5	N/A
HALLOWELL ASSOCIATES, LTD.	1.3	0.8
MARC DIRECT	1.3	0.8
MAILWORKS, INC.	1.2	0.9
J. WALTER THOMPSON**	N/A	22.9
AGENCIES REPORTING FEES AND COMMISSIONS PLUS INTERNAL PRODUCTION REVENUES		
THE DIRECT MARKETING GROUP, INC.	152.9	149.8
CUSTOMER DEVELOPMENT CORPORATION	65.8	54.7
DIRECT MAIL CORPORATION OF AMERICA (DMCA)	58.0	44.0
D.A.D./FKB	57.3	33.8
MANUS DIRECT RESPONSE MARKETING	25.3	18.0
SANDVEN & ASSOCIATES, INC.	17.8	17.0
GRIZZARD ADVERTISING, INC.	17.0	14.5
PAGE & ASSOCIATES ADV. & DIRECT MKT, INC.	2.0	1.6

+ Agencies submitted adjusted figures for 1987.

* Information confirmed by an outside auditing firm.

** J. Walter Thompson did not submit figures for 1988.

(1) Does *not* include internal production revenue.

(2) Mergers/acquisitions:
- —Rapp & Collins merged with Marcoa to form Rapp Collins Marcoa.
- —CMS merged with Saatchi & Saatchi Compton DFS to form Saatchi & Saatchi Direct. 1987 figures reflect CMS in Rochester, Atlanta, and New York City.
- —Ronald A. Bernstein & Associates merged with Edward S. Sucherman and Associates to form Bernstein & Sucherman, Inc.
- —In 1988, Haynes & Pittenger acquired K&R Computer Services.

(3) Formerly known as Omni Marketing Inc.

(4) Billings represent 12 months ending November 30, 1988.

(5) Billings represent fiscal year ending June 30, 1988.

(6) In 1988, the Direct Marketing Agency, Inc.'s parent company, N.W. Ayer, Inc. divested segments of the agency. The 1988 billings represent the newly formed agency, with *no* internal production revenues.

(7) Denver office closed in 1988. The 1987 and 1988 figures reflect Dallas billings.

(8) Firm changed its name from Parsons & Kern in 1987 to Kern/Mathai Direct Marketing in 1988.

Note: This list represents only those agencies who responded to request made in 1989 for full year U.S. 1988 and 1987 billings. All figures were supplied by the individual agencies, who were asked to include capitalized media commissions, material and services fees and agency fees plus revenue derived from direct mail internal production activities where the agency provided the creative services.

Source: Direct Marketing Association Research Department, March 1989.

1989 DIRECT RESPONSE ADVERTISING SALARIES

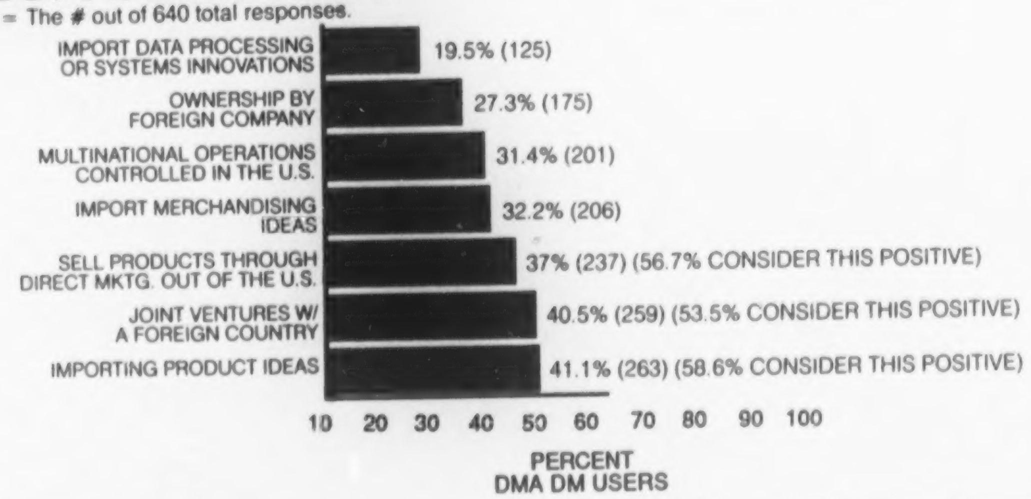
Crandall Associates, Inc. have determined the salaries by the following process 1) Discussion with employers, from presidents to personnel officers throughout the country, in companies varying in geographic areas, number of employees, and sales volume. 2) Personal interviews and discussions with the professionals in Direct Marketing at all salary levels, working from coast to coast. 3) Search assignments that have been received, nationally, enabling Crandall Associates, Inc. to confirm salary levels that prove to be effective in recruiting candidates from each experience range, and serve as a double check on the figures.

Position Title And Description	Years Exp.	Base Salary Range (excluding benefits)		Leading Firms
ADVERTISING MANAGER: Corporate responsibility for conversion of marketing plan into communication using creative tools and media.	1–3	$34,400	$46,500	$46,700
	4–7	$45,800	$49,900	$54,300
	7+	$53,200	$56,500	$59,300
AGENCY ACCOUNT EXECUTIVE: Liaison with clients, development of marketing, media, copy and art to secure client's goals within budget.	1–3	$21,200	$25,400	$29,600
	4–7	$26,000	$34,200	$37,900
	7+	$35,100	$39,300	$44,800
AGENCY ACCOUNT SUPERVISOR: Manages account executives, develops new business programs and helps guide the agency's course.	1–3	$36,100	$40,400	$45,600
	4–7	$43,200	$47,000	$53,200
	7+	$51,400	$56,300	$58,700
ART DIRECTOR/Direct Mail, Space: Conceptualize and design graphics for maximum readership to achieve the marketing objectives.	1–3	$28,200	$31,100	$35,200
	4–7	$33,200	$36,300	$40,200
	7+	$37,700	$44,600	$52,300
ART STAFF: Responsible for the creation of comps, type spec'ing, camera-ready mechanicals, under the direction of the art director.	1–3	$15,800	$20,300	$22,800
	4–7	$20,700	$24,700	$26,100
	7+	$25,600	$28,800	$33,100
COPY CHIEF: Conceptualizes, supervises, inspires and directs copywriters in creation of written promotional materials for all media.	1–3	$28,000	$31,300	$35,800
	4–7	$33,500	$38,300	$42,500
	7+	$40,000	$44,700	$50,500
COPYWRITER/Direct Mail, Space: With knowledge of the product or service, ability to sell effectively with solo "packages" or space ads.	1–3	$19,300	$24,300	$28,400
	4–7	$26,500	$33,300	$38,400
	7+	$34,600	$40,400	$45,800
CREATIVE DIRECTOR/Agency: With account group, uses talent and experience to develop copy and graphics for the agency's clients.	1–3	$40,600	$45,000	$52,800
	4–7	$51,600	$56,300	$61,700
	7+	$58,400	$64,200	$69,600
CREATIVE DIRECTOR/Corporate: Guides staff in developing art and copy capabilities for creative communications with customers.	1–3	$31,100	$35,600	$38,700
	4–7	$36,400	$40,800	$44,700
	7+	$42,000	$51,300	$55,800
MARKETING DIRECTOR/Consumer Products: Profit and loss responsibility and leads product managers in strategic planning and sales.	1–3	$45,900	$51,200	$57,500
	4–7	$54,600	$59,200	$67,500
	7+	$61,800	$72,300	$84,100
MARKETING/Consumer Product Manager: Responsible for positioning, sales and creative strategy for maximum penetration of market.	1–3	$27,300	$29,600	$34,200
	4–7	$31,800	$38,800	$42,200
	7+	$40,000	$46,700	$49,900
MARKET RESEARCH MANAGER: Gathers and distills data into intelligent information utilizing the complete gamut of research tools.	1–3	$24,700	$29,200	$34,200
	4–7	$30,700	$34,700	$40,400
	7+	$36,800	$38,400	$43,300
MARKET RESEARCH/Analyst: Generally using computer-generated material, analyzes raw data with sophisticated statistical techniques.	1–3	$19,700	$22,100	$24,300
	4–7	$23,300	$25,400	$28,600
	7+	$27,500	$29,700	$31,600
MEDIA DIRECTOR: Directs staff in all media expenditures to solve marketing problems at the most efficient cost to client or company.	1–3	$29,200	$33,600	$36,200
	4–7	$35,500	$37,000	$39,100
	7+	$38,700	$40,700	$43,500
MEDIA PLANNER/BUYER: Depending on the size of organization, develops plans and buys print, broadcast and other media efficiently.	1–3	$18,900	$21,500	$24,400
	4–7	$23,200	$26,900	$28,900
	7+	$27,700	$30,200	$31,300
MERCHANDISE MANAGER: Eye for value and uniqueness, identifies, develops, and buys goods of constant quality in sufficient quantities.	1–3	$31,600	$38,000	$39,700
	4–7	$36,600	$40,100	$43,300
	7+	$42,000	$51,700	$58,500
MERCHANDISE BUYER: Develops products, shops, covers markets, meets and negotiates with vendors and keeps tabs on inventory.	1–3	$22,300	$23,400	$28,600
	4–7	$25,800	$29,900	$32,900
	7+	$30,900	$35,600	$37,300
PRODUCTION MANAGER: Knows about processes, particularly printing, to buy or produce materials, with emphasis on costs and quality.	1–3	$23,200	$26,300	$29,300
	4–7	$26,400	$32,400	$35,800
	7+	$33,400	$41,800	$46,200

Source: Crandall Associates, Inc. 1989.

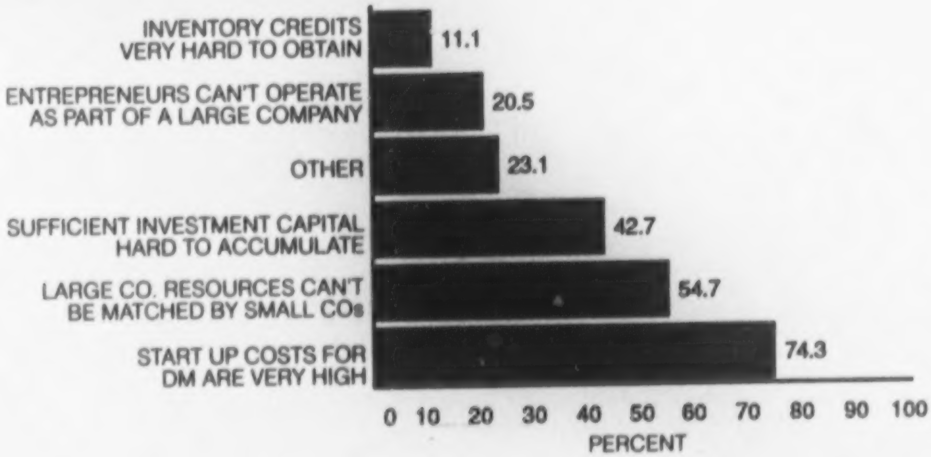
WHAT ARE THE MAJOR INTERNATIONAL TRENDS IN THE DIRECT MARKETING INDUSTRY? IDENTIFIED BY 640 DMA MEMBERS.

(# following %) = The # out of 640 total responses.



Source: DMA Research Department, Marketing Council, 1986

FACTORS BLOCKING ENTREPRENEURIAL DIRECT MARKETING START-UP OPPORTUNITIES



Source: DMA Research Department, Marketing Council, 1986

MEDIA UNIT* COST TRENDS

(1982–84 = 100)

	1983	1984	1985	1986	1987	1988	1989
NEWSPAPERS	100	109	117	125	133	141	149
MAGAZINES	100	108	116	122	126	131	136
NETWORK TV	98	111	119	124	128	133	137
SPOT TV	99	109	116	123	127	131	134
NETWORK RADIO	101	108	117	126	123	117	122
SPOT RADIO	99	109	115	118	116	119	123
OUTDOOR	100	109	118	124	129	134	140
DIRECT MAIL	101	99	106	108	112	121	127
COMPOSITE	100	107	115	120	125	132	137

*A unit in the various media listed includes a single black-and-white page for newspapers, a four-color ad for magazines, 30-second spots for network and spot TV, one-minute spots for network and spot radio, a 100 showing in outdoor (100 GRPs, which is the reach and frequency of x-amount of boards per day), and 25,000 pieces of direct mail.

GRP = Gross Rating Points
= The sum of the ratings for a series of programs which makes it possible to compare the relative magnitude of advertisers' schedules.
– One rating point equals 1% of the households in a market.

Media Unit Cost—Lets you rank on a per unit basis and then compare the media.

Source: Robert J. Coen, McCann-Erickson, 1989

ESTIMATED 1987–1988 U.S. AD VOLUME

	1987 ($ MILLIONS)	1988 ($ MILLIONS)	Percent Change
NATIONAL			
NEWSPAPERS	3,494	3,586	+ 2.6
MAGAZINES	5,607	6,072	+ 8.3
NETWORK TV	8,500	9,172	+ 7.9
SPOT TV	6,846	7,147	+ 4.4
CABLE TV	760	942	+23.9
SYNDICATED TV	762	901	+18.2
NETWORK RADIO	413	425	+ 3.0
SPOT RADIO	1,330	1,418	+ 6.6
OUTDOOR	615	628	+ 2.2
DIRECT MAIL	19,111	21,115	+10.5
OTHER NATIONAL MEDIA	13,187	14,204	+ 7.7
TOTAL NATIONAL ADVERTISING	60,625	65,610	+ 8.2
LOCAL			
NEWSPAPERS	25,918	27,611	+ 6.5
LOCAL TV	6,833	7,270	+ 6.4
CABLE TV	203	254	+25.0
LOCAL RADIO	5,463	5,955	+ 9.0
OUTDOOR	410	436	+ 6.3
OTHER LOCAL MEDIA	10,198	10,914	+ 7.0
TOTAL LOCAL ADVERTISING	49,025	52,440	+ 7.0
TOTAL ALL ADVERTISING	109,650	118,050	+7.7

Note: According to Robert J. Coen, senior vice president and director of forecasting at McCann-Erickson, the total U.S. Advertising Expenditures for 1989 are now projected at $125.0 billion, a gain of over 6% over 1988.

Source: Robert J. Coen, McCann-Erickson, Inc. 1989

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1980–1988
(IN MILLIONS OF DOLLARS)

	1980	1981	1982	1983	1984	1985	1986	1987	1988
NEWSPAPERS									
TOTAL	14,794	16,528	17,694	20,582	23,522	25,170	26,990	29,412	31,197
NATIONAL	1,963	2,259	2,452	2,734	3,081	3,352	3,376	3,494	3,586
LOCAL	12,831	14,269	15,242	17,848	20,441	21,818	23,614	25,918	27,611
MAGAZINES	3,149	3,533	3,710	4,233	4,932	5,155	5,317	5,607	6,072
FARM PUBLICATIONS	130	146	148	163	181	186	192	196	196
TELEVISION									
TOTAL	11,474	12,847	14,706	16,789	19,900	20,770	22,881	23,904	25,686
NETWORK	5,130	5,575	6,210	7,017	8,526	8,285	8,342	8,500	9,172
SPOT	3,319	3,805	4,510	5,096	5,773	6,004	6,570	6,846	7,147
CABLE (NATIONAL)	50	105	195	303	466	637	676	760	942
LOCAL TV	2,967	3,345	3,759	4,323	5,055	5,714	6,514	6,833	7,270
CABLE (LOCAL)	8	17	32	50	80	130	179	203	254
RADIO									
TOTAL	3,702	4,230	4,670	5,210	5,813	6,490	6,949	7,206	7,798
NETWORK	183	230	255	296	316	365	423	413	425
SPOT	779	879	923	1,038	1,197	1,335	1,348	1,330	1,418
LOCAL	2,740	3,121	3,492	3,876	4,300	4,790	5,178	5,463	5,955
DIRECT MAIL	7,596	8,944	10,319	11,795	13,800	15,500	17,145	19,111	21,115
BUSINESS PUBLICATIONS	1,674	1,841	1,876	1,990	2,270	2,375	2,382	2,458	2,610
OUTDOOR									
TOTAL	578	650	721	794	872	945	985	1,025	1,064
NATIONAL	364	419	465	512	562	610	600	615	628
LOCAL	214	231	256	282	310	335	385	410	436
MISCELLANEOUS									
TOTAL	10,453	11,711	12,736	14,294	16,530	18,159	19,299	20,731	22,312
NATIONAL	5,478	6,154	6,722	7,348	8,586	9,551	9,879	10,533	11,398
LOCAL	4,975	5,557	6,014	6,946	7,944	8,608	9,420	10,198	10,914
TOTAL									
NATIONAL	29,815	33,890	37,785	42,525	49,690	53,355	56,850	60,625	65,610
LOCAL	23,735	26,540	28,795	33,325	38,130	41,395	45,290	49,025	52,440
GRAND TOTAL	53,550	60,430	66,580	75,850	87,820	94,750	102,140	109,650	118,050

Source: Robert J. Coen, McCann-Erickson, Inc., 1989

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1971–1979
(IN MILLIONS OF DOLLARS)

	1971	1972	1973	1974	1975	1976	1977	1978	1979
NEWSPAPERS									
TOTAL	6,167	6,938	7,481	7,842	8,234	9,618	10,751	12,214	13,863
NATIONAL	972	1,062	1,049	1,105	1,109	1,342	1,472	1,541	1,770
LOCAL	5,195	5,876	6,432	6,737	7,125	8,276	9,279	10,673	12,093
MAGAZINES	1,370	1,440	1,448	1,504	1,465	1,789	2,162	2,597	2,932
FARM PUBLICATIONS	57	59	65	72	74	86	90	104	120
TELEVISION									
TOTAL	3,534	4,091	4,460	4,854	5,263	6,721	7,612	8,955	10,154
NETWORK	1,593	1,804	1,968	2,145	2,306	2,857	3,460	3,975	4,599
SPOT	1,145	1,318	1,377	1,497	1,623	2,154	2,204	2,607	2,873
LOCAL	796	969	1,115	1,212	1,334	1,710	1,948	2,373	2,682
RADIO									
TOTAL	1,445	1,612	1,723	1,837	1,980	2,330	2,634	3,052	3,310
NETWORK	63	74	68	69	83	105	137	147	161
SPOT	395	402	400	405	436	518	546	620	665
LOCAL	987	1,136	1,255	1,363	1,461	1,707	1,951	2,285	2,484
DIRECT MAIL	3,067	3,420	3,698	4,054	4,124	4,786	5,164	5,987	6,653
BUSINESS PAPERS	720	781	865	900	919	1,035	1,221	1,400	1,575
OUTDOOR									
TOTAL	261	292	308	309	335	383	418	466	540
NATIONAL	172	192	200	203	220	252	290	307	355
LOCAL	89	100	108	106	115	131	128	159	185
MISCELLANEOUS									
TOTAL	4,079	4,577	4,932	5,248	5,506	6,552	7,388	8,555	9,633
NATIONAL	2,201	2,428	2,562	2,746	2,841	3,431	3,849	4,435	4,992
LOCAL	1,878	2,149	2,370	2,502	2,665	3,121	3,539	4,120	4,641
TOTAL									
NATIONAL	11,755	12,980	13,700	14,700	15,200	18,355	20,595	23,720	26,695
LOCAL	8,945	10,230	11,280	11,920	12,700	14,945	16,845	19,610	22,085
GRAND TOTAL	20,700	23,210	24,980	26,620	27,900	33,300	37,440	43,330	48,780

Source: Robert J. Coen, McCann-Erickson, Inc., 1989

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1962–1970
(IN MILLIONS OF DOLLARS)

	1962	1963	1964	1965	1966	1967	1968	1969	1970
NEWSPAPERS									
TOTAL	3,659	3,780	4,120	4,426	4,865	4,910	5,232	5,714	5,704
NATIONAL	722	702	773	784	887	846	889	943	891
LOCAL	2,937	3,078	3,347	3,642	3,978	4,064	4,343	4,771	4,813
MAGAZINES	942	1,002	1,074	1,161	1,254	1,245	1,283	1,344	1,292
FARM PUBLICATIONS	65	66	66	71	70	68	68	64	62
TELEVISION									
TOTAL	1,897	2,032	2,289	2,515	2,823	2,909	3,231	3,585	3,596
NETWORK	976	1,025	1,132	1,237	1,393	1,455	1,523	1,678	1,658
SPOT	629	698	806	892	988	988	1,131	1,253	1,234
LOCAL	292	309	351	386	442	466	577	654	704
RADIO									
TOTAL	736	789	846	917	1,010	1,048	1,190	1,264	1,308
NETWORK	46	56	59	60	63	64	63	59	56
SPOT	233	243	256	275	308	314	360	368	371
LOCAL	457	490	531	582	639	670	767	837	881
DIRECT MAIL	1,933	2,078	2,184	2,324	2,461	2,488	2,612	2,670	2,766
BUSINESS PAPERS	597	615	623	671	712	707	714	752	740
OUTDOOR									
TOTAL	171	171	175	180	178	191	208	213	234
NATIONAL	115	115	117	120	118	126	137	138	154
LOCAL	56	56	58	60	60	65	71	75	80
MISCELLANEOUS									
TOTAL	2,430	2,567	2,773	2,985	3,257	3,304	3,552	3,814	3,848
NATIONAL	1,437	1,520	1,630	1,745	1,896	1,909	2,020	2,131	2,126
LOCAL	993	1,047	1,143	1,240	1,361	1,395	1,532	1,683	1,722
TOTAL									
NATIONAL	7,695	8,120	8,720	9,340	10,150	10,210	10,800	11,400	11,350
LOCAL	4,735	4,980	5,430	5,910	6,480	6,660	7,290	8,020	8,200
GRAND TOTAL	12,430	13,100	14,150	15,250	16,630	16,870	18,090	19,420	19,550

Source: Robert J. Coen, McCann-Erickson, Inc., 1989

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1953–1961
(IN MILLIONS OF DOLLARS)

	1953	1954	1955	1956	1957	1958	1959	1960	1961
NEWSPAPERS									
TOTAL	2,632	2,685	3,077	3,223	3,268	3,176	3,526	3,681	3,601
NATIONAL	606	607	712	754	768	724	773	778	744
LOCAL	2,026	2,078	2,365	2,469	2,500	2,452	2,753	2,903	2,857
MAGAZINES	627	629	691	758	777	734	832	909	895
FARM PUBLICATIONS	71	71	72	73	71	67	71	66	62
TELEVISION									
TOTAL	606	809	1,035	1,225	1,286	1,387	1,529	1,627	1,691
NETWORK	320	422	550	643	690	742	776	820	887
SPOT	145	207	260	329	352	397	486	527	548
LOCAL	141	180	225	253	244	248	267	280	256
RADIO									
TOTAL	611	559	545	567	618	620	656	693	683
NETWORK	141	114	84	60	63	58	44	43	43
SPOT	146	135	134	161	187	190	206	222	220
LOCAL	324	310	327	346	368	372	406	428	420
DIRECT MAIL	1,099	1,202	1,299	1,419	1,471	1,589	1,688	1,830	1,850
BUSINESS PAPERS	395	408	446	496	568	525	569	609	578
OUTDOOR									
TOTAL	176	187	192	201	199	192	193	203	180
NATIONAL	119	126	130	136	134	130	130	137	122
LOCAL	57	61	62	65	65	62	63	66	58
MISCELLANEOUS									
TOTAL	1,523	1,600	1,793	1,948	2,012	2,020	2,206	2,342	2,320
NATIONAL	846	899	1,002	1,111	1,169	1,184	1,280	1,364	1,366
LOCAL	677	701	791	837	843	836	926	978	954
TOTAL									
NATIONAL	4,515	4,820	5,380	5,940	6,250	6,340	6,855	7,305	7,315
LOCAL	3,225	3,330	3,770	3,970	4,020	3,970	4,415	4,655	4,545
GRAND TOTAL	7,740	8,150	9,150	9,910	10,270	10,310	11,270	11,960	11,860

Source: Robert J. Coen, McCann-Erickson, Inc., 1989

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1945–1952
(IN MILLIONS OF DOLLARS)

	1945	1946	1947	1948	1949	1950	1951	1952
NEWSPAPERS								
TOTAL	919	1,155	1,471	1,745	1,911	2,070	2,251	2,464
NATIONAL	203	238	323	379	463	518	529	537
LOCAL	716	917	1,148	1,366	1,448	1,552	1,722	1,927
MAGAZINES	344	405	464	477	458	478	535	575
FARM PUBLICATIONS	32	36	49	56	55	58	64	70
TELEVISION								
TOTAL	—	—	—	—	58	171	332	454
NETWORK	—	—	—	—	30	85	181	256
SPOT	—	—	—	—	9	31	70	94
LOCAL	—	—	—	—	19	55	81	104
RADIO								
TOTAL	424	455	506	562	571	605	606	624
NETWORK	198	200	201	211	203	196	180	162
SPOT	92	98	106	121	123	136	138	141
LOCAL	134	157	199	230	245	273	288	321
DIRECT MAIL	290	334	579	689	756	803	924	1,024
BUSINESS PUBLICATIONS	204	211	233	251	248	251	292	365
OUTDOOR								
TOTAL	72	86	121	132	131	142	149	162
NATIONAL	50	60	79	89	88	96	101	109
LOCAL	22	26	42	43	43	46	48	53
MISCELLANEOUS								
TOTAL	555	658	837	958	1,022	1,122	1,267	1,402
NATIONAL	327	368	466	522	557	608	696	767
LOCAL	228	290	371	436	465	514	571	635
TOTAL								
NATIONAL	1,740	1,950	2,500	2,795	2,990	3,260	3,710	4,100
LOCAL	1,100	1,390	1,760	2,075	2,220	2,440	2,710	3,040
GRAND TOTAL	2,840	3,340	4,260	4,870	5,210	5,700	6,420	7,140

Source: Robert J. Coen, McCann-Erickson, Inc., 1989

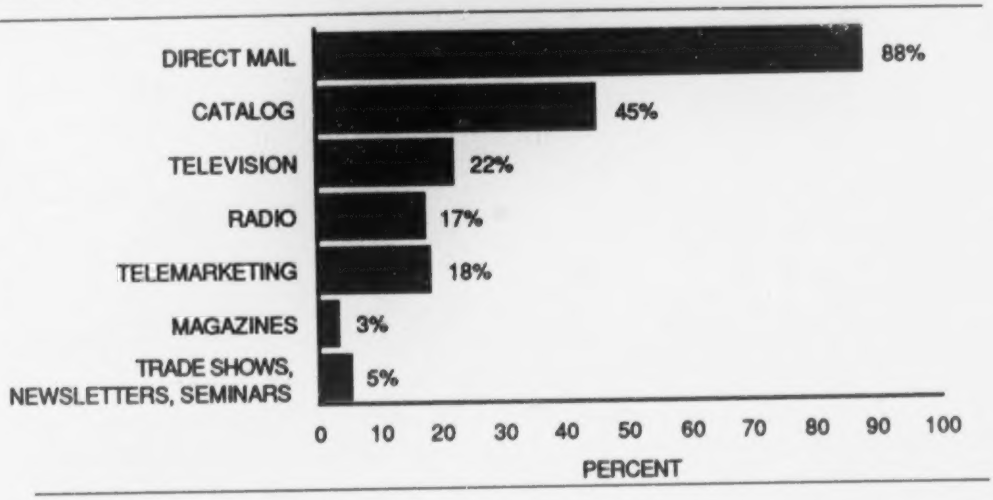
ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1937–1944
(IN MILLIONS OF DOLLARS)

	1937	1938	1939	1940	1941	1942	1943	1944
NEWSPAPERS								
TOTAL	870	782	793	815	844	797	899	886
NATIONAL	166	148	152	161	162	141	180	191
LOCAL	704	634	641	654	682	656	719	695
						187		
MAGAZINES	181	158	169	186	201	259		305
FARM PUBLICATIONS	19	14	17	19	19	18	25	29
TELEVISION								
TOTAL	—	—	—	—	—	—	—	—
NETWORK	—	—	—	—	—	—	—	—
SPOT	—	—	—	—	—	—	—	—
LOCAL	—	—	—	—	—	—	—	—
RADIO								
TOTAL	165	167	184	215	247	260	314	393
NETWORK	89	89	99	113	125	129	157	192
SPOT	28	34	35	42	52	59	71	87
LOCAL	48	44	50	60	70	72	86	114
DIRECT MAIL	333	324	333	334	353	329	322	326
BUSINESS PUBLICATIONS	70	61	69	76	89	98	142	177
OUTDOOR								
TOTAL	44	43	44	45	53	44	42	56
NATIONAL	33	32	33	34	37	31	29	39
LOCAL	11	11	11	11	16	13	13	17
MISCELLANEOUS								
TOTAL	418	381	401	420	444	427	487	528
NATIONAL	211	200	213	225	242	228	270	309
LOCAL	207	181	188	195	202	199	217	219
TOTAL								
NATIONAL	1,130	1,060	1,120	1,190	1,280	1,220	1,455	1,655
LOCAL	970	870	890	920	970	940	1,035	1,045
GRAND TOTAL	2,100	1,930	2,010	2,110	2,250	2,160	2,490	2,700

Source: Robert J. Coen, McCann-Erickson, Inc., 1989

FORM OF DIRECT MARKETING USED IN BUSINESSES

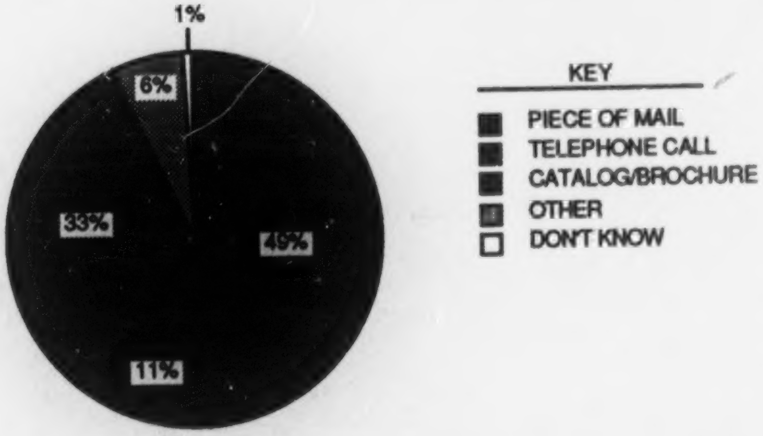
CRC Information Systems conducted an Industry Trends study by telephone in December 1986 among a cross section of businesses. The qualified person in each company was derived from a list chosen from the 1986 Direct Marketing Market Place. A total of 153 interviews were completed.



Source: CRC Information Systems, Dec. 1986

MEANS OF PROMOTION FOR DIRECT MARKETING PURCHASES

The Gallup Organization's in-depth study of the Future of Direct Marketing was conducted by telephone interviews during the twelve month span of calendar year 1987. Approximately 1,000 consumers were interviewed each month, generating over 12,000 respondents. The study focused on consumer behavior regarding catalogs and other mail order advertising and consumer attitudes and motivations for purchasing by direct response media.



Source: Gallup Organization, 1987.

TOTAL POPULATION ORDERING VIA MAIL AND TELEPHONE 1988 vs. 1987

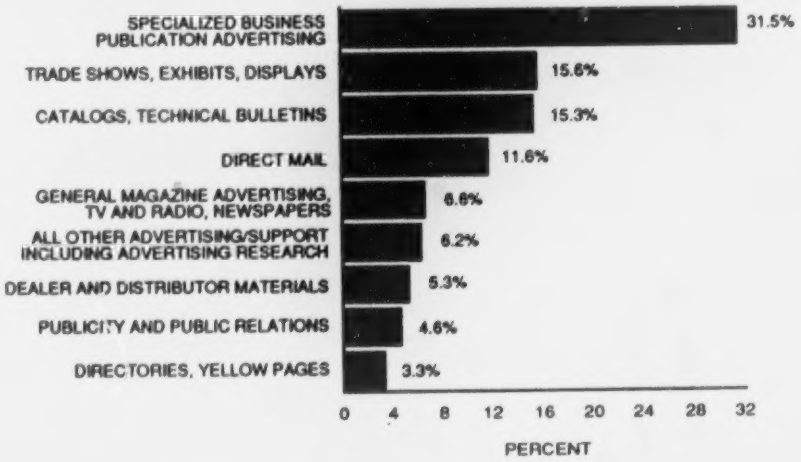
The Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews. The statistics below represent consumers "yes" or "no" response to the *general* question: Have you yourself ordered any merchandise or services *by mail* or *phone* in the LAST 12 MONTHS from offers in magazines, newspapers, television, radio, catalogs or direct mail pieces?

	1987 Total U.S. (000)	1987 Total U.S. Buyers (000)	% Any Product	1988 Total U.S. (000)	1988 Total U.S. Buyers (000)	% Any Product	% Change from 1987 to 1988 Total Buyers	Total Increase in Mail or Telephone Buyers 1987–1988 (000)
Total Adults	173,681	67,923	39.1	176,250	88,534	50.2	+30.34%	(+20,611)
Males	82,598	27,558	33.4	84,066	37,142	44.2	+34.78%	(+ 9,584)
Females	91,083	40,365	44.3	92,184	51,392	55.7	+27.32%	(+11,027)
18–24	27,154	9,363	34.5	26,535	11,178	42.1	+19.38%	(+ 1,815)
25–34	42,000	17,842	42.5	42,634	21,857	51.3	+22.50%	(+ 4,015)
35–44	32,529	14,531	44.7	33,688	19,457	57.8	+33.90%	(+ 4,926)
45–54	22,698	9,460	41.7	23,361	12,769	54.7	+34.98%	(+ 3,309)
55–64	21,980	8,754	39.8	22,021	11,202	50.9	+27.96%	(+ 2,448)
65 or Older	27,319	7,973	29.2	28,011	12,072	43.1	+51.41%	(+ 4,099)
Graduated College	30,437	15,016	49.3	31,644	19,362	61.2	+28.94%	(+ 4,346)
Attended College	32,211	14,632	45.4	32,702	17,875	54.7	+22.16%	(+ 3,243)
Graduated High School	68,358	26,670	39.0	69,681	36,250	52.0	+35.92%	(+ 9,580)
Did Not Graduate High School	42,675	11,605	27.2	42,223	15,047	35.6	+29.66%	(+ 3,442)
Professional/Manager	26,966	13,106	48.6	28,104	17,252	61.4	+31.63%	(+ 4,146)
Tech/Clerical/Sales	34,963	15,542	44.5	35,802	20,383	56.9	+31.15%	(+ 4,841)
Precision/Craft	14,199	5,169	36.4	14,098	6,413	45.5	+24.07%	(+ 1,244)
Other Employed	29,036	10,290	35.4	33,730	15,116	44.8	+46.90%	(+ 4,826)
Single	37,160	12,828	34.5	37,865	15,956	42.1	+24.38%	(+ 3,128)
Married	105,311	44,269	42.0	106,963	58,840	55.0	+32.91%	(+14,571)
Divorced/Separated/Widowed	31,210	10,826	34.7	31,422	13,739	43.7	+26.91%	(+ 2,913)
Parents	58,618	25,520	43.5	67,328	36,330	54.0	+42.36%	(+10.810)
Northeast—Census	37,504	14,100	37.6	37,366	18,442	49.4	+30.79%	(+ 4,342)
Midwest	42,665	18,952	44.4	43,426	24,756	57.0	+30.62%	(+ 5,804)
South	59,354	20,984	35.4	60,402	28,951	47.9	+37.97%	(+ 7,967)
West	34,158	13,887	40.7	35,057	16,386	46.7	+18.00%	(+ 2,499)
Household Income								
$60,000 or More	16,548	8,002	48.4	20,289	12,111	59.7	+51.35%	(+ 4,109)
$50,000 or More	26,626	12,973	48.7	31,340	18,225	58.2	+40.48%	(+ 5,252)
$40,000 or More	47,419	22,277	47.0	53,108	30,886	58.2	+38.65%	(+ 8,609)
$30,000 or More	76,841	35,515	46.2	82,233	46,887	57.0	+32.02%	(+11,372)
$30,000–$39,999	29,422	13,238	45.0	29,126	16,001	54.9	+20.87%	(+ 2,763)
$20,000–$29,999	35,594	14,448	40.6	34,891	18,755	53.8	+29.81%	(+ 4,307)
$10,000–$19,999	36,140	11,745	32.5	37,097	16,074	43.3	+36.86%	(+ 4,329)
Under $10,000	25,107	6,216	24.8	22,029	6,818	31.0	+ 9.68%	(+ 602)
Household Size								
1 Person	21,267	6,753	31.8	21,267	8,812	41.4	+30.49%	(+ 2,059)
2 People	54,138	20,902	38.6	55,771	28,049	50.3	+34.19%	(+ 7,147)
3 or 4 People	70,725	29,501	41.7	71,810	38,267	53.3	+29.71%	(+ 8,766)
5 or More People	27,550	10,767	39.1	27,402	13,406	48.9	+24.51%	(+ 2,639)
Children								
No Child in Household	101,867	38,119	37.4	104,468	50,156	48.0	+31.58%	(+12,037)
Children Under 2 Years	14,740	6,483	44.0	14,095	6,903	49.0	+ 6.48%	(+ 420)
2–5 Years	25,443	10,906	42.9	25,865	13,163	50.9	+20.70%	(+ 2,257)
6–11 Years	31,478	13,135	41.7	33,171	17,780	53.6	+35.36%	(+ 4,645)
12–17 Years	33,498	13,576	40.5	33,224	18,081	54.4	+33.19%	(+ 4,505)
Residence Owned	119,593	50,586	42.3	123,262	67,976	55.1	+34.38%	(+17,390)
Value: $60,000 or More	65,738	29,550	45.0	70,282	39,998	56.9	+35.36%	(+10,448)
Less than $60,000	53,855	21,036	39.1	52,980	27,978	52.8	+33.00%	(+ 6,942)

Source: Simmons Market Research Bureau: 1987, 1988 Study of Media and Markets.

PROJECTED BREAKDOWN OF 1989 ADVERTISING/SALES PROMOTION BUDGETS BY PERCENTAGE

Business Marketing conducted its Annual Budget Survey in 1988. Of the 996 respondents, 70% had approved or nearly approved budgets. Marketers on the average will spend $715,300 in 1989.



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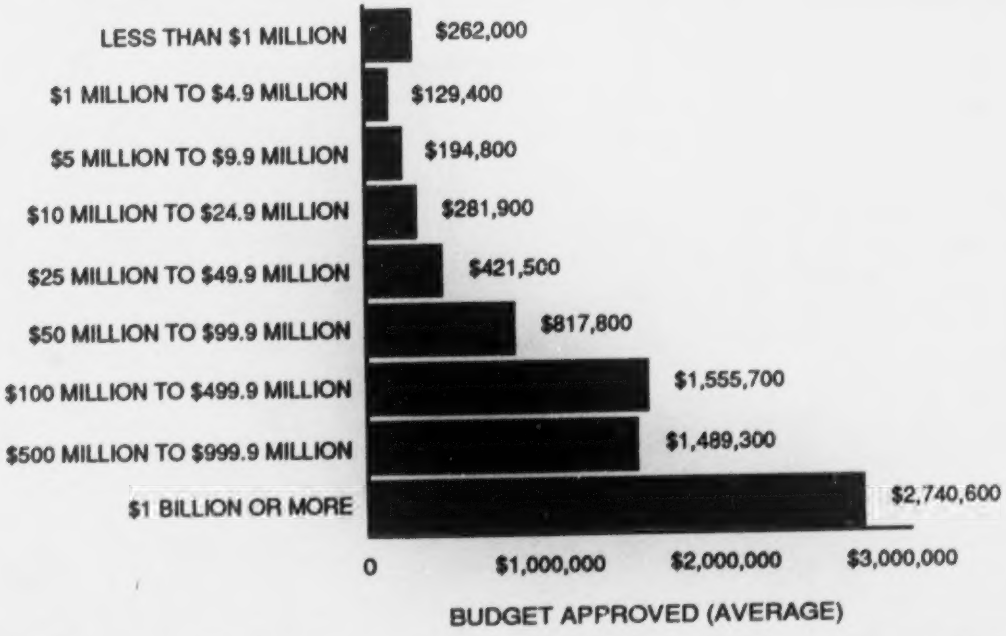
ADVERTISING/SALES PROMOTION SPENDING BY COMPANY SIZE



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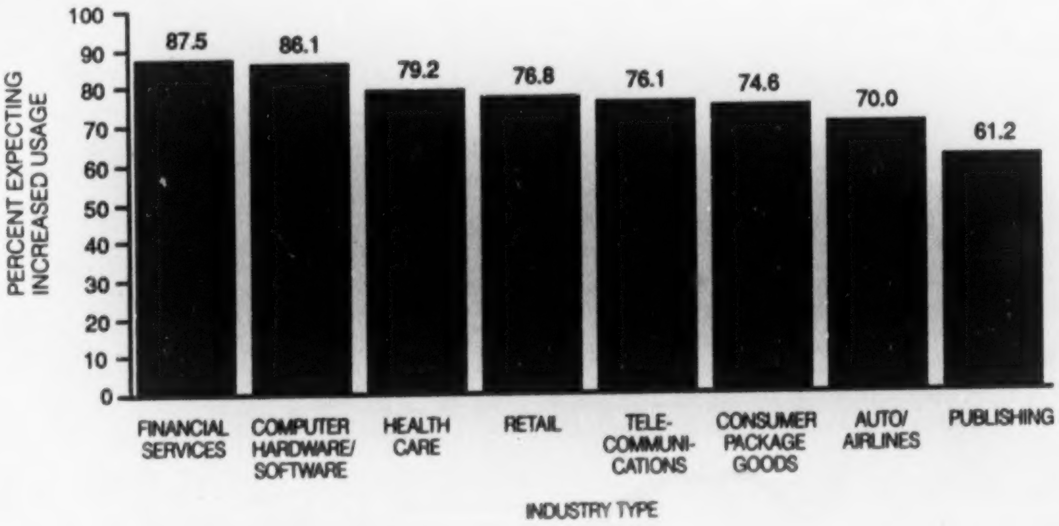
MEDIA USAGE
TODAY'S PATTERNS

The DMA Management Survey of Current Direct Marketing Practices and Trends was conducted by mail in August 1986 among 4,550 companies. A 22% response rate was achieved.

MEDIA	% FOR LEAD GENERATION	% TO GENERATE SALES	FOR SALES SUPPORT
DIRECT MAIL	61%	66%	24%
MAGAZINES	53%	43%	27%
CATALOGS	31%	38%	10%
TELEMARKETING	30%	42%	15%
NEWSPAPERS	30%	26%	19%
PKG./STMT. INSERTS	25%	31%	12%
FREE STDG. INSERTS	22%	24%	11%
POINT OF SALE	19%	18%	11%
UHF/VHF TELEVISION	15%	15%	15%
CABLE TV	11%	13%	8%
RADIO	11%	11%	14%

Source: DMA Research Department, Marketing Council, 1986

FUTURE INVOLVEMENT IN DIRECT MARKETING BY INDUSTRY TYPE



Source: DMA Research Department, Marketing Council, 1986

MEDIA

- DIRECT MAIL
- CATALOG
- TELEPHONE
- PRINT
- TELEVISION

- DIRECT MAIL

CONSUMER ATTITUDES

BUYING HABITS

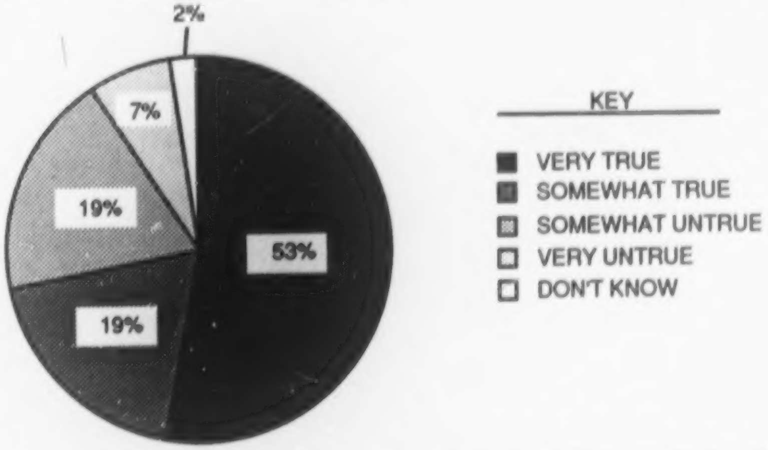
COSTS

TRENDS

"OFFICIAL" AD MAIL A BOTHER?

The Gallup Organization's—Attitudes Toward "Official" Mail Promotions was conducted via personal interviews in November 1987 among 1,003 adults.

It bothers me when companies who want to sell me their products send me information in official looking envelopes which look like the mail I might get from the government or from a bank.

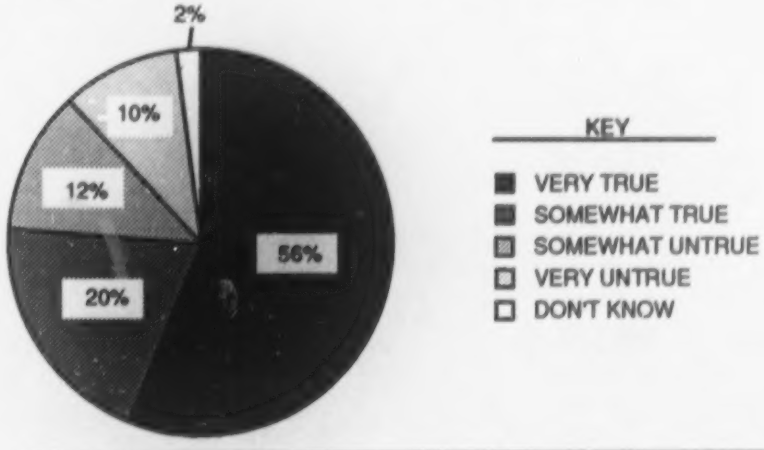


Source: Target Marketing, Gallup Organization, February 1988

CONSUMER ATTITUDE TOWARD DIRECT MAIL RECEIVED

The Target Marketing Magazine, Gallup Survey—Is Most Mail Read was conducted by personal interview during Oct. 21–28, 1986 among 1,559 adults.

I usually open up all the mail I receive.



Source: Target Marketing, Gallup Organization, 1986.

USEFULNESS OF THIRD-CLASS REGULAR MAIL PIECE BY SHAPE

POSTAL YEAR 1988
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

Usefulness	Letter-Size Envelope	Larger Than Letter Envelope	Detached Label Card	Post-Card	Catalog Not In Envelope	Flyers	Newspapers/ Magazines	Total
USEFUL	32.4	36.2	25.7	34.9	55.5	44.3	37.4	40.3
INTERESTING	21.5	28.0	17.4	18.3	27.0	21.4	19.3	23.0
NOT INTERESTING	27.8	22.9	36.5	33.0	9.7	19.1	11.4	21.5
OBJECTIONABLE	7.0	4.9	7.5	6.1	1.9	3.4	2.9	4.6
DON'T KNOW/NO ANSWER	11.3	8.1	12.9	7.7	5.9	11.9	29.1	10.6
TOTAL MAIL RECEIVED BY HOUSEHOLDS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study 1989

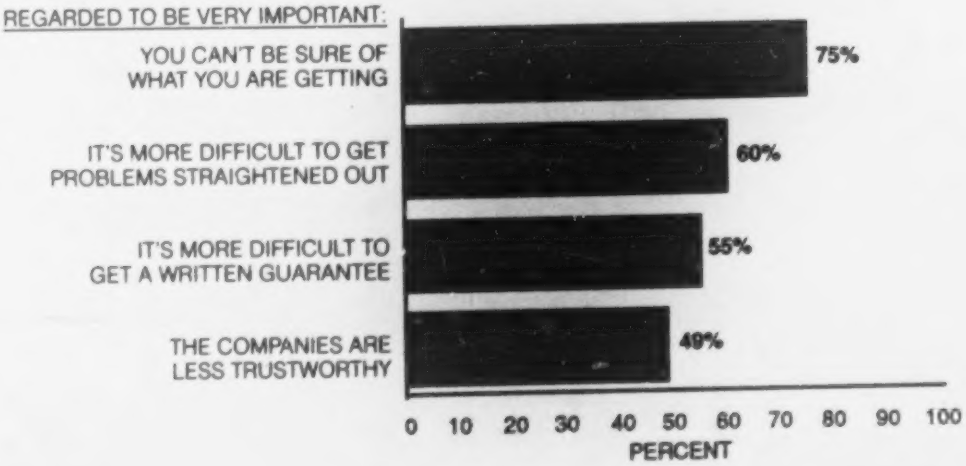
CONSUMER READING HABITS OF THIRD CLASS MAIL

	1972	1984	1988
Opened and Read	63%	48%	41.1%
Looked At	7%	26%	27.3%
Discarded Without Being Opened	9%	12%	15.2%
Set Aside for Reading Later	14%	10%	7.7%
Don't Know/No Response	7%	4%	8.7%

% of Total Pieces Received

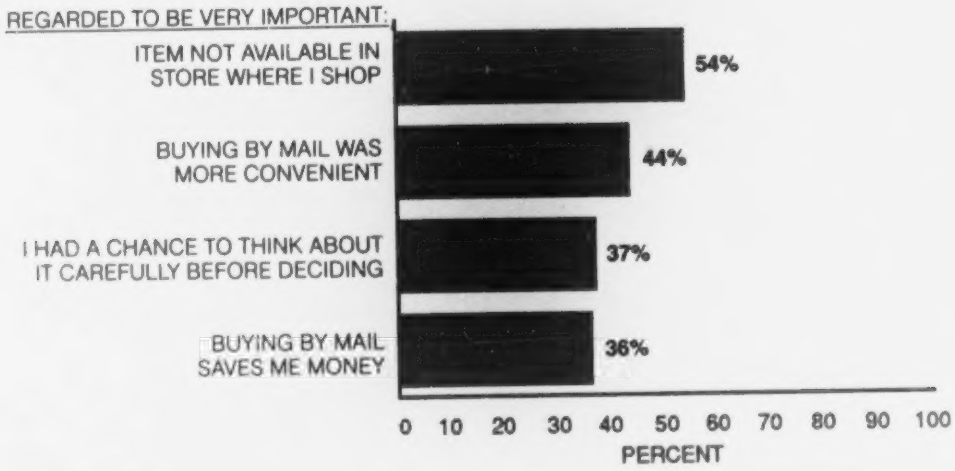
Source: USPS Household Diary Study, 1973, 1985, & 1989

REASONS FOR DECIDING NOT TO BUY BY MAIL



Source: Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986.

REASONS FOR BUYING BY MAIL

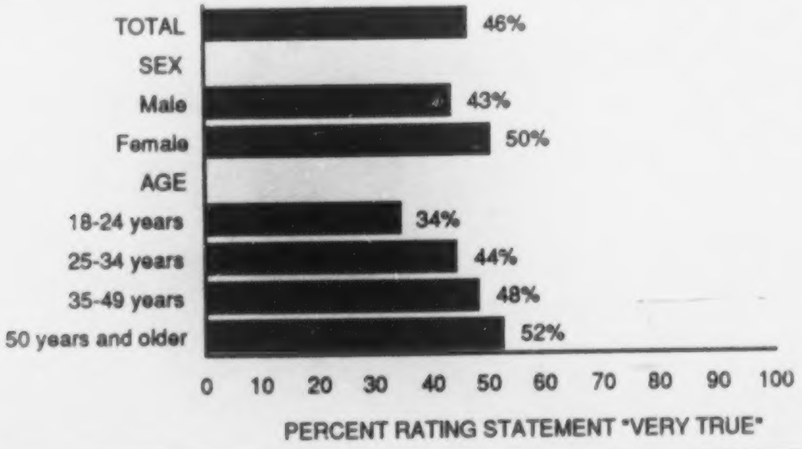


Source: Buying By Mail: VALS™ Looks at Direct Marketing by Joseph Castelli and Francois Christen, 1986

FAMILIARITY BREEDS ORDERS

The Gallup Organization conducted its Familiarity Breeds Orders Survey by personal interviews during October 21–28, 1986 among 1,559 adults.

I usually buy from companies I have heard of before.



Source: Target Marketing, Gallup Organization August 1987

PERCENT OF TOTAL POPULATION ORDERING PRODUCTS BY PHONE OR MAIL

The 1988 Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,251 adults, interviewed between August 3, 1987 and May 27, 1988. The product usage and buying behavior data was gathered through self administered questionnaires and personal interviews.

	TOTAL U.S. (000)	TOTAL U.S. PRODUCT	COOK BOOKS	BOOK CLUB BOOKS	COSMETICS	RECORDS	MAGAZINES	PHOTO PROCESSING	SPORTING GOODS	CLOTHING	VITAMINS
TOTAL ADULTS	176,250	50.2	2.5	5.4	3.1	3.6	14.3	3.1	2.4	11.2	1.6
MALES	84,066	44.2	1.7	4.3	1.8	3.8	12.1	2.7	3.4	7.5	1.2
FEMALES	92,184	55.7	3.3	6.3	4.3	3.4	16.4	3.4	1.6	14.6	2.0
18–24	26,535	42.1	1.6	3.7	2.6	4.7	10.2	3.1	1.6	7.2	0.9
25–34	42,634	51.3	2.3	6.7	3.5	4.3	16.8	3.8	2.9	12.5	0.9
35–44	33,688	57.8	2.6	6.6	3.8	3.8	17.4	3.8	3.0	13.8	1.2
45–54	23,361	54.7	2.8	6.7	3.6	3.7	15.8	3.2	3.6	12.3	2.1
55–64	22,021	50.9	3.4	4.4	3.1	2.3	13.1	2.2	2.0	11.3	2.7
65 OR OLDER	28,011	43.1	2.8	3.1	2.1	2.0	10.6	1.9	1.2	9.1	2.6
GRADUATED COLLEGE	31,644	61.2	2.8	8.7	3.2	4.4	17.4	3.5	3.5	16.5	2.2
ATTENDED COLLEGE	32,702	54.7	3.0	5.8	4.0	3.7	16.2	2.7	3.2	12.8	1.4
GRADUATED HIGH SCHOOL	69,681	52.0	2.6	5.4	3.5	3.7	15.6	3.8	2.4	11.2	1.7
DID NOT GRADUATE HIGH SCHOOL	42,223	35.6	1.9	2.5	1.9	2.7	8.5	2.0	1.1	6.2	1.2
PROFESSIONAL/MANAGER	28,104	61.4	3.4	9.1	4.1	4.4	18.5	3.8	4.0	16.2	2.0
TECHNICAL/CLERICAL/ SALES	35,802	56.9	2.6	6.1	4.6	4.2	16.2	3.8	2.1	13.5	1.2
PRECISION/CRAFT	14,098	45.5	1.4	4.4	2.5	3.6	12.3	2.6	3.4	8.0	1.3
OTHER EMPLOYED	33,730	44.8	1.8	4.8	2.5	3.4	14.2	3.6	2.7	9.2	1.1
SINGLE	37,865	42.1	1.4	3.7	2.4	4.2	11.1	3.1	1.9	8.3	1.0
MARRIED	106,963	55.0	2.9	6.1	3.4	3.6	16.1	3.3	2.9	12.6	1.8
DIVORCED, SEPARATED, WIDOWED	31,422	43.7	2.6	4.7	3.1	2.6	12.4	2.3	1.6	10.2	1.8
PARENTS	67,328	54.0	2.5	7.1	3.7	4.3	16.8	3.7	3.0	12.8	0.9
NORTHEAST-CENSUS	37,366	49.4	2.3	6.1	3.7	4.4	12.7	4.5	3.5	12.8	1.7
MIDWEST	43,426	57.0	2.7	6.2	2.9	3.6	19.0	3.5	3.3	14.8	1.8
SOUTH	60,402	47.9	2.1	4.4	3.0	3.1	12.4	2.6	1.7	8.6	1.2
WEST	35,057	46.7	3.5	5.1	3.1	3.6	13.7	2.0	1.5	9.7	1.9
HOUSEHOLD INCOME											
$60,000 OR MORE	20,289	59.7	3.8	7.5	3.9	4.4	16.2	4.6	4.2	14.9	1.8
$50,000 OR MORE	31,340	58.2	3.3	7.7	3.8	3.9	16.3	4.1	4.0	14.0	1.5
$40,000 OR MORE	53,108	58.2	2.8	7.1	3.7	4.0	16.8	4.0	3.5	14.2	1.7
$30,000 OR MORE	82,233	57.0	2.7	7.1	3.5	4.1	16.5	3.8	3.4	13.8	1.7
$30,000–$39,999	29,126	54.9	2.4	7.1	3.1	4.2	15.8	3.5	3.1	13.2	1.6
$20,000–$29,999	34,891	53.8	2.9	5.0	3.6	4.5	14.8	3.3	2.1	11.2	1.7
$10,000–$19,999	37,097	43.3	2.3	3.4	2.9	2.5	11.9	2.3	1.6	8.8	1.5
UNDER $10,000	22,029	31.0	2.0	2.8	1.7	2.1	9.9	1.4	1.0	5.7	1.4
HOUSEHOLD SIZE											
1 PERSON	21,267	41.4	2.5	3.8	2.3	2.0	12.0	1.5	1.3	9.4	2.3
2 PEOPLE	55,771	50.3	2.6	4.5	2.9	3.2	14.5	2.8	2.3	11.1	2.2
3 OR 4 PEOPLE	71,810	53.3	2.6	6.1	3.3	3.7	14.6	3.2	2.6	12.6	1.2
5 OR MORE PEOPLE	27,402	48.9	2.4	6.4	3.9	5.3	15.2	4.5	3.1	9.4	1.2
CHILDREN											
NO CHILD IN HOUSEHOLD	104,468	48.0	2.5	4.3	2.9	3.0	12.8	2.7	2.1	10.5	2.1
CHILDREN UNDER 2 YEARS	14,095	49.0	2.8	6.9	3.7	4.1	14.7	5.3	1.7	10.5	0.6
2–5 YEARS	25,865	50.9	2.9	7.9	3.6	4.0	15.5	3.9	1.6	10.8	1.0
6–11 YEARS	33,171	53.6	2.9	7.2	3.4	4.8	16.9	3.5	3.6	13.2	0.9
12–17 YEARS	33,224	54.4	2.2	6.2	3.9	4.6	17.1	3.4	3.6	12.6	1.0
RESIDENCE OWNED	123,262	55.1	2.8	5.8	3.3	3.5	15.5	3.5	2.9	13.0	1.7
VALUE $60,000 OR MORE	70,282	56.9	2.3	6.3	3.3	3.6	15.3	3.5	3.4	13.6	1.9
VALUE LESS THAN $60,000	52,980	52.8	2.7	5.1	3.2	3.5	15.7	3.6	2.2	12.2	1.6

Source: Simmons Market Research Bureau: 1987 & 1988 Study of Media and Markets.

PERCENT OF TOTAL POPULATION ORDERING PRODUCTS BY MAIL OR PHONE

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self administered questionnaires and personal interviews.

	NEEDLECRAFT KITS, SUPPLIES	TOYS	COOKWARE, KITCHEN ACCESSORIES	TREES, PLANTS, SEEDS	GREETING CARDS	OTHER BOOKS	AUTO ACCESSORIES	SHOES OR BOOTS	AUDIO CASSETTE TAPES	TRAVEL/ TOUR INFORMATION	CREDIT CARDS
TOTAL ADULTS	2.0	3.0	2.7	3.3	2.6	4.1	2.6	3.7	4.4	4.5	3.6
MALES	1.0	2.2	1.7	2.4	1.6	3.7	4.0	3.2	4.0	4.3	3.4
FEMALES	2.9	3.7	3.5	4.2	3.6	4.6	1.2	4.1	4.7	4.7	3.7
18–24	1.3	1.9	2.0	1.6	1.2	2.4	2.3	3.3	4.4	2.8	3.2
25–34	2.4	4.9	3.0	3.4	3.1	4.1	2.9	3.3	4.2	4.6	4.5
35–44	1.6	3.6	2.6	3.7	2.7	5.5	3.0	3.6	5.6	5.4	4.4
45–54	2.5	2.6	3.6	3.9	3.7	6.2	2.4	4.4	5.4	5.8	4.1
55–64	2.7	2.3	2.5	3.9	2.8	4.0	2.6	4.3	4.7	5.3	2.7
65 OR OLDER	1.5	1.1	2.2	3.5	2.2	2.6	1.8	3.4	2.0	3.3	2.0
GRADUATED COLLEGE	1.9	4.3	3.6	5.1	3.8	5.3	3.6	4.8	5.0	8.1	5.3
ATTENDED COLLEGE	2.4	3.6	2.8	3.4	3.1	5.2	2.6	3.3	5.5	6.0	4.5
GRADUATED HIGH SCHOOL	2.5	3.0	2.6	3.3	2.9	4.4	2.7	3.9	4.9	4.0	3.7
DID NOT GRADUATE HIGH SCHOOL	1.0	1.3	1.9	1.9	1.0	2.1	1.5	2.7	2.1	1.7	1.5
PROFESSIONAL/MANAGER	2.2	4.7	3.0	4.9	3.8	5.4	3.4	4.2	5.7	8.0	6.3
TECHNICAL/CLERICAL/ SALES	2.4	2.8	3.0	3.0	2.9	4.8	1.9	3.9	5.6	4.9	4.8
PRECISION/CRAFT	1.5	3.3	2.1	2.2	1.4	4.0	5.2	3.4	5.1	3.3	3.0
OTHER EMPLOYED	1.3	2.5	2.2	2.9	2.1	4.2	2.6	3.1	4.1	3.1	3.0
SINGLE	1.2	1.3	1.7	1.4	1.1	2.9	2.2	3.1	3.7	3.6	3.6
MARRIED	2.4	3.9	3.2	4.1	3.2	4.6	2.9	3.9	4.7	5.3	3.7
DIVORCED, SEPARATED, WIDOWED	1.5	1.9	1.8	2.9	2.5	3.9	1.7	3.5	4.1	3.1	3.3
PARENTS	2.0	5.0	3.1	3.6	3.3	4.6	2.7	3.6	5.3	4.6	4.1
NORTHEAST—CENSUS	2.1	2.8	2.6	2.6	2.8	3.8	2.4	3.7	4.2	5.6	4.1
MIDWEST	2.3	4.0	3.1	4.4	3.5	4.4	2.9	4.3	5.9	4.9	4.2
SOUTH	1.8	2.3	2.5	3.2	1.8	3.4	2.6	3.3	3.1	3.5	2.8
WEST	1.8	3.0	2.6	2.9	2.9	5.5	2.3	3.3	4.7	4.8	3.8
HOUSEHOLD INCOME											
$60,000 OR MORE	2.8	2.9	3.0	4.7	3.5	5.5	4.1	4.5	5.1	7.9	4.5
$50,000 OR MORE	2.6	3.3	2.8	4.7	3.2	5.4	3.4	4.2	5.9	7.5	4.9
$40,000 OR MORE	2.2	3.7	2.5	4.4	3.2	5.1	3.2	3.8	5.6	7.0	5.0
$30,000 OR MORE	2.1	3.8	2.9	3.8	3.2	5.2	3.1	3.9	5.6	6.3	4.9
$30,000–$39,999	2.0	4.0	3.5	2.7	3.2	5.4	2.9	3.9	5.5	5.1	4.6
$20,000–$29,999	2.2	3.1	3.3	3.3	2.9	4.5	3.0	4.0	4.3	4.4	3.3
$10,000–$19,999	1.8	2.1	2.3	2.2	1.7	2.6	1.9	3.4	3.0	2.8	2.4
UNDER $10,000	1.4	1.2	1.2	1.9	1.6	2.2	1.1	2.7	2.1	1.1	1.3
HOUSEHOLD SIZE											
1 PERSON	1.3	1.2	1.7	2.3	2.8	3.3	2.0	3.3	2.8	3.3	3.0
2 PEOPLE	2.4	2.1	2.7	3.9	2.3	3.8	2.5	3.9	4.1	5.2	3.7
3 OR 4 PEOPLE	2.0	3.9	3.2	3.4	2.9	4.5	2.9	3.8	4.6	4.6	3.7
5 OR MORE PEOPLE	1.8	3.5	1.9	3.0	2.7	4.7	2.2	2.9	5.5	3.9	3.6
CHILDREN											
NO CHILD IN HOUSEHOLD	2.1	1.8	2.4	3.1	2.2	3.9	2.5	3.7	3.8	4.6	3.3
CHILDREN UNDER 2 YEARS	2.8	7.3	2.6	3.8	2.9	4.8	2.4	3.3	3.9	3.1	2.8
2–5 YEARS	2.7	7.6	3.3	3.4	4.3	6.1	2.5	2.7	4.5	3.9	3.9
6–11 YEARS	2.2	4.7	2.9	3.4	3.1	4.4	2.6	3.1	5.5	4.4	3.3
12–17 YEARS	1.4	2.5	3.0	3.6	3.0	4.3	2.6	4.4	5.9	4.8	4.3
RESIDENCE OWNED	2.3	3.5	2.8	4.1	3.1	4.7	2.7	4.3	4.8	5.3	3.7
VALUE $60,000 OR MORE	2.4	3.4	2.8	4.2	3.1	4.8	2.9	4.0	5.1	6.4	4.1
VALUE LESS THAN $60,000	2.3	3.5	2.8	4.0	3.2	4.5	2.6	4.6	4.4	3.9	3.2

Source: Simmons Market Research Bureau: 1987 & 1988 Study of Media and Markets.

SEASONALITY STUDY/UPDATE #13—APRIL 1989
PREPARED BY THE KLEID COMPANY, INC.

The first Kleid Company Seasonality Study was issued in April 1978, covering the 12-month period from March 1977–February 1978. The primary objective was to bring together information on a month-by-month basis to track seasonal patterns. While it may not be absolute, it does reveal trends and is directional.

One comment that surfaces from time to time is that this study is based on volume and not response. True—but not true. First, most companies schedule their mailings within the time frames which historically have been most responsive. Of course there can be variations to this theme. But one decision point based on sound financial principles is critical; no company will continue to mail in volume in a season that dramatically increases the cost of doing business.

Secondly, while this analysis is based on volume, it is enhanced by a comparison to actual response. This correlation covers a representative sampling of companies within each product category.

Another thought: for multi-product companies a seasonality performance study by product could be useful in allocating mail dates. It is possible that a successful product with a high R.O.I. can continue to generate an acceptable profit even if assigned a low priority mail date. Conversely, a new product which does not yet contribute to profit could be assigned a high priority mail date in order to accelerate the R.O.I.

Source: Rose Harper, President, The Kleid Company, Inc., 1989

	SUMMARY OF FIVE YEAR AVERAGES FOR THE YEARS THROUGH:			
	1987–88		**1988–89**	
	TOP MONTH	**#2 MONTH**	**TOP MONTH**	**#2 MONTH**
BUSINESS & FINANCE	**DECEMBER**	JANUARY	**DECEMBER**	SEPTEMBER
CULTURAL READING	**DECEMBER**	JUNE	**DECEMBER**	JUNE
GENERAL READING	**JUNE**	DECEMBER	**DECEMBER**	JUNE
SELF-IMPROVEMENT	**MARCH**	DECEMBER	**DECEMBER**	SEPTEMBER
HOME INTEREST	**DEC/JUNE**	JANUARY	**DECEMBER**	JUNE
PARENTS & CHILDREN	**DECEMBER**	SEPTEMBER	**DECEMBER**	OCTOBER
HOBBIES/RELATED SUBJECTS	**JUNE**	DECEMBER	**DECEMBER**	JUNE
ENTERTAINMENT	**DECEMBER**	JULY	**DECEMBER**	JANUARY
EDUCATIONAL/TECHNICAL/PROF.	**DECEMBER**	JANUARY	**MARCH**	OCTOBER
FUNDRAISING	**NOVEMBER**	FEBRUARY	**NOVEMBER**	AUGUST
HEALTH	**DECEMBER**	JULY	**DECEMBER**	JULY

Source: The Kleid Company, Inc., 1989

SEASONALITY STUDY
CATEGORY: BUSINESS/FINANCE
MONTHLY % OF TOTAL MAILINGS

1989 Ranking	1984–85	1985–86	1986–87	1987–88	1988–89	5-YEAR AVERAGE
MARCH	4.7	6.4	6.9	6.9	7.4	6.6
APRIL	7.5	7.0	5.9	7.3	6.0	6.7
4. MAY	4.8	6.2	6.8	10.7	9.4	7.6
JUNE	11.4	11.2	12.1	7.6	6.4	9.7
JULY	6.7	5.4	5.8	5.4	5.9	5.8
AUGUST	5.8	6.5	5.4	6.9	7.5	6.4
2. SEPTEMBER	6.5	7.2	8.5	8.6	10.2	8.2
OCTOBER	9.5	8.4	9.5	7.4	6.4	8.2
NOVEMBER	6.7	6.3	3.7	5.8	6.0	5.7
1. DECEMBER	18.3	17.9	18.0	17.4	20.7	18.5
3. JANUARY	8.6	11.2	11.3	12.3	10.1	10.7
FEBRUARY	9.5	6.3	6.1	3.7	4.0	5.9
TOTAL:	100%	100%	100%	100%	100%	100%

December still holding #1. September took a step forward and touched January.

SEASONALITY STUDY
CATEGORY: CULTURAL READING
MONTHLY % OF TOTAL MAILINGS

1989 Ranking	1984–85	1985–86	1986–87	1987–88	1988–89	5-YEAR AVERAGE
4. MARCH	4.2	5.8	6.1	4.7	9.0	6.0
APRIL	1.5	1.3	1.2	1.3	1.0	1.3
MAY	1.8	1.5	1.0	0.5	2.7	1.5
2. JUNE	13.6	13.4	13.5	23.4	20.6	16.9
JULY	9.0	9.8	7.0	6.5	7.1	7.9
AUGUST	4.2	9.2	12.7	2.5	2.6	6.2
SEPTEMBER	10.5	6.4	5.2	8.2	8.6	7.8
3. OCTOBER	7.1	8.8	13.5	12.0	14.7	11.2
NOVEMBER	7.0	6.6	3.0	5.6	5.3	5.5
1. DECEMBER	22.6	27.0	28.8	27.4	22.0	25.5
JANUARY	10.5	7.5	4.8	6.8	5.8	7.1
FEBRUARY	8.0	2.7	3.2	1.1	0.6	3.1
TOTAL:	100%	100%	100%	100%	100%	100%

December is followed by June and they are the two best months by a significant margin over third-place October.

Source: The Kleid Company, Inc., 1989

SEASONALITY STUDY
CATEGORY: GENERAL READING
MONTHLY % OF TOTAL MAILINGS

1989 Ranking	1984–85	1985–86	1986–87	1987–88	1988–89	5-YEAR AVERAGE
MARCH	4.8	8.4	6.0	4.9	6.6	6.1
APRIL	7.1	1.2	3.2	3.2	5.3	4.0
3. MAY	10.1	7.4	2.1	1.3	10.5	6.3
2. JUNE	16.0	15.4	22.1	25.3	17.3	19.2
JULY	12.3	13.9	15.1	5.4	7.2	10.8
4. AUGUST	2.3	5.1	7.6	8.1	7.8	6.2
SEPTEMBER	8.8	11.4	4.7	5.2	4.8	7.0
OCTOBER	1.7	3.4	4.3	4.1	5.3	3.7
3. NOVEMBER	2.0	2.8	8.3	11.3	0.4	5.0
1. DECEMBER	20.4	22.8	18.6	18.1	23.0	20.6
JANUARY	12.0	6.2	3.9	6.7	7.1	7.2
FEBRUARY	2.5	2.0	4.1	6.4	4.7	3.9
TOTAL:	100%	100%	100%	100%	100%	100%

December replaced June as #1. June fell to second and May showed a significant upturn.

SEASONALITY STUDY
CATEGORY: SELF-IMPROVEMENT
MONTHLY % OF TOTAL MAILINGS

1989 Ranking	1984–85	1985–86	1986–87	1987–88	1988–89	5-YEAR AVERAGE
3. MARCH	4.8	6.1	5.0	12.9	10.5	8.2
4. APRIL	8.2	8.5	10.7	8.0	9.4	11.4
MAY	1.8	5.9	5.4	8.0	4.3	6.1
JUNE	14.2	4.9	8.0	11.6	7.5	8.4
JULY	14.9	8.1	12.2	3.0	1.9	8.8
AUGUST	3.6	3.6	10.9	10.9	7.1	7.9
2. SEPTEMBER	11.2	9.7	11.2	10.7	16.7	12.8
OCTOBER	6.3	6.1	3.1	6.8	5.0	6.7
NOVEMBER	1.4	1.4	0.6	2.8	2.6	1.9
1. DECEMBER	19.5	32.7	24.3	11.7	17.3	13.5
JANUARY	10.1	11.1	6.4	7.8	8.4	9.7
FEBRUARY	4.0	1.9	2.2	5.8	9.3	4.6
TOTAL:	100%	100%	100%	100%	100%	100%

March is in third place relinquishing first to December and second to September.

Source: The Kleid Company, Inc., 1989

SEASONALITY STUDY
CATEGORY: HOME INTEREST
MONTHLY % OF TOTAL MAILINGS

1989 Ranking	1984–85	1985–86	1986–87	1987–88	1988–89	5-YEAR AVERAGE
MARCH	7.9	5.8	4.2	6.0	7.8	6.3
APRIL	6.0	7.3	6.2	5.1	6.3	6.2
MAY	1.8	1.5	2.8	3.1	2.0	2.2
2. JUNE	11.3	10.8	18.6	13.8	15.4	14.0
JULY	20.0	21.1	7.8	7.4	6.5	12.6
AUGUST	6.3	6.4	8.6	10.0	6.1	7.5
3. SEPTEMBER	6.4	5.9	4.7	10.3	12.1	7.9
OCTOBER	12.2	6.2	11.3	9.9	6.8	9.3
NOVEMBER	3.3	3.7	2.0	2.3	3.6	3.0
1. DECEMBER	11.7	14.6	16.9	13.8	19.0	15.2
4. JANUARY	10.0	10.7	12.8	13.3	9.8	11.3
FEBRUARY	3.1	6.0	4.1	5.0	4.6	4.5
TOTAL:	100%	100%	100%	100%	100%	100%

June is no longer tied for first. December is first—September third.

SEASONALITY STUDY
CATEGORY: PARENTS AND CHILDREN
MONTHLY % OF TOTAL MAILINGS

1989 Ranking	1984–85	1985–86	1986–87	1987–88	1988–89	5-YEAR AVERAGE
MARCH	3.0	4.2	4.3	3.2	4.5	3.8
APRIL	0.8	3.1	4.3	6.7	6.5	4.3
MAY	2.7	2.4	4.3	3.9	4.8	3.6
JUNE	8.6	5.5	5.9	10.5	7.9	7.7
4. JULY	20.8	18.5	14.5	12.2	10.2	15.2
AUGUST	12.1	13.9	10.7	7.8	6.5	10.2
3. SEPTEMBER	7.9	5.9	11.1	13.3	11.3	11.9
2. OCTOBER	1.6	7.1	3.5	7.8	16.2	7.2
NOVEMBER	2.6	2.8	2.1	1.5	0.4	1.9
1. DECEMBER	12.2	10.3	18.7	14.4	17.7	14.6
JANUARY	14.2	15.0	11.1	10.2	8.5	11.8
FEBRUARY	13.5	11.3	9.5	8.5	5.5	9.6
TOTAL:	100%	100%	100%	100%	100%	100%

December is number one closely followed by October, which took a big forward step pushing September into third place.

Source: The Kleid Company, Inc., 1989

SEASONALITY STUDY
CATEGORY: HOBBIES—RELATED SUBJECTS
MONTHLY % OF TOTAL MAILINGS

1989 Ranking		1984–85	1985–86	1986–87	1987–88	1988–89	5-YEAR AVERAGE
	MARCH	8.5	6.3	3.5	4.4	4.0	5.3
	APRIL	1.6	3.6	5.2	5.0	5.6	4.2
	MAY	2.4	3.4	3.0	3.7	2.3	3.0
2.	JUNE	12.3	16.8	17.5	22.1	18.5	17.4
	JULY	16.1	16.3	15.0	2.3	8.9	11.7
3.	AUGUST	10.5	5.6	6.8	5.7	11.5	8.0
	SEPTEMBER	5.6	6.2	5.0	5.5	3.7	5.2
	OCTOBER	5.3	5.0	7.8	4.0	7.3	5.9
	NOVEMBER	0.5	1.5	1.0	8.2	2.4	2.7
1.	DECEMBER	20.1	18.8	24.7	21.6	20.7	21.2
4.	JANUARY	8.8	7.6	4.6	7.6	10.7	7.9
	FEBRUARY	8.3	8.9	5.9	9.9	4.4	7.5
	TOTAL:	100%	100%	100%	100%	100%	100%

January, July and August show an upward trend. February a downtrend. The other months are relatively static.

SEASONALITY STUDY
CATEGORY: ENTERTAINMENT
MONTHLY % OF TOTAL MAILINGS

1989 Ranking		1984–85	1985–86	1986–87	1987–88	1988–89	5-YEAR AVERAGE
	MARCH	9.3	8.4	6.8	7.9	6.3	7.8
	APRIL	3.1	5.9	4.7	5.3	7.8	5.4
	MAY	5.0	1.7	2.2	2.7	4.5	3.2
	JUNE	7.8	4.1	10.2	8.3	8.2	7.7
3.	JULY	9.8	12.0	9.1	14.1	11.0	11.2
	AUGUST	8.2	8.4	8.1	6.3	6.5	7.5
4.	SEPTEMBER	8.3	14.0	6.2	5.4	10.1	8.8
	OCTOBER	6.9	4.6	7.9	9.3	4.9	6.7
	NOVEMBER	1.7	2.7	3.9	3.2	2.3	2.8
1.	DECEMBER	21.6	14.4	19.7	16.1	16.4	17.6
2.	JANUARY	9.8	13.5	9.6	13.7	12.4	11.8
	FEBRUARY	8.5	10.3	11.6	7.7	9.6	9.5
	TOTAL:	100%	100%	100%	100%	100%	100%

December is still in first place. January moved July from second place to third.

Source: The Kleid Company, Inc., 1989

SEASONALITY STUDY
CATEGORY: EDUCATIONAL, TECHNICAL, PROFESSIONAL
MONTHLY % OF TOTAL MAILINGS

1989 Ranking	1984–85	1985–86	1986–87	1987–88	1988–89	5-YEAR AVERAGE
1. MARCH	8.5	6.4	4.4	2.1	23.7	9.0
APRIL	13.5	40.9	28.7	8.4	4.7	19.2
MAY	8.1	3.8	4.0	3.0	2.6	4.3
JUNE	15.9	5.6	2.8	7.1	0.5	6.4
JULY	5.6	3.2	2.8	11.7	2.6	5.2
AUGUST	4.5	6.3	4.3	5.6	6.4	5.4
SEPTEMBER	7.8	8.9	3.7	3.5	9.2	6.6
2. OCTOBER	8.5	3.7	3.3	6.6	16.7	7.8
NOVEMBER	5.5	4.2	1.0	3.9	1.7	3.3
3. DECEMBER	15.0	9.9	7.7	29.5	15.8	15.6
4. JANUARY	3.3	4.3	32.4	14.9	13.1	13.6
FEBRUARY	3.8	2.8	4.9	3.7	3.0	3.6
TOTAL:	100%	100%	100%	100%	100%	100%

March zipped into first, October flew into second and December slid down to third.

SEASONALITY STUDY
CATEGORY: FUND RAISING
MONTHLY % OF TOTAL MAILINGS

1989 Ranking	1984–85	1985–86	1986–87	1987–88	1988–89	5-YEAR AVERAGE
MARCH	6.3	10.5	11.8	8.5	7.7	8.9
4. APRIL	9.2	4.9	3.3	5.9	9.0	6.5
MAY	5.6	5.1	3.6	5.0	6.1	5.1
JUNE	9.1	2.5	5.0	2.0	2.0	4.1
JULY	2.7	7.3	3.6	4.3	5.6	4.7
2. AUGUST	10.0	7.9	9.4	13.3	14.1	10.9
SEPTEMBER	12.7	13.0	10.6	7.3	5.3	9.8
OCTOBER	11.5	8.8	9.5	9.3	5.9	9.0
1. NOVEMBER	9.9	10.5	16.6	19.0	19.6	15.1
DECEMBER	4.9	6.7	6.7	4.1	6.0	5.7
JANUARY	8.2	5.3	6.0	5.6	7.2	6.5
3. FEBRUARY	9.9	17.5	13.9	15.7	11.5	13.7
TOTAL:	100%	100%	100%	100%	100%	100%

November held on to first place. August continued its upward trend into second. February slid into third.

Source: The Kleid Company, Inc., 1989

USPS HOUSEHOLD DIARY STUDY

The Household Diary Study was initiated on September 26, 1986. It is now an annual market research study of mail that originates from or is sent to U.S. households.

The purpose of the Household Diary Study is to obtain comprehensive market data on mail sent and received by households, and, specifically, to supply:

1—A detailed picture of the household mailstream;
- including mail class and subclass
- identity (by sector and industry) of mail senders and recipients
- the content of mail
- household attitudes and responsiveness concerning mail
- the demographics of mail senders and recipients

2—A comparison of underlying trends in household mail usage and receipt between Calendar Year 1977 and Postal Year 1987 and between 1987 and succeeding years of HDS.

The Household Diary Program surveys over 5,300 households each year. Each household responded to an interview and then maintained a diary of each mail piece received or sent by members of the household during the sample week.

These data supply information useful for the volume forecasting, planning, marketing and ratemaking functions of the Postal Service, and give the first comprehensive description of the household portion of the Postal Service mailstream since the Household Mailstream Study was conducted in Calendar Year 1977.

TREATMENT OF THIRD-CLASS REGULAR MAIL PIECE BY SHAPE

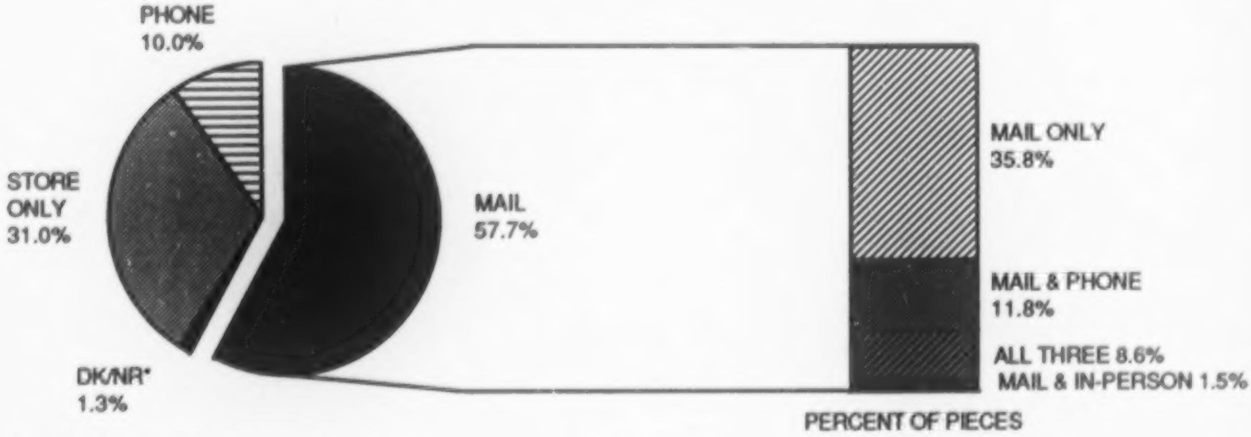
POSTAL YEAR 1988
(PERCENTAGE OF MAIL PIECES RECEIVED BY HOUSEHOLDS)

Treatment	Lettersize Envelope	Larger than Letter Envelope	Detached Label Card	Post-card	Catalog Not In Envelope	Flyers	Newspapers/ Magazines	Total
	%	%	%	%	%	%	%	%
Read	43.6	44.4	28.9	46.6	42.4	39.8	36.9	41.1
Looked At	26.2	27.0	32.6	24.4	27.5	28.3	16.0	27.3
Discarded	16.5	15.3	24.7	18.7	8.9	15.5	10.7	15.2
Set Aside	4.6	6.9	3.8	3.3	16.9	6.6	9.6	7.7
Don't know/No Answer	9.2	6.4	10.1	7.0	4.3	9.9	26.8	8.7
Total Mail Received by Households	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study 1989

METHODS OF RESPONSE MEDIA TO THIRD-CLASS BULK REGULAR IN 1988

(FOR MAIL PIECES CONTAINING ADVERTISING OR REQUEST FOR DONATION)



* DON'T KNOW/ NO RESPONSE

RESPONSE TO THIRD-CLASS BULK REGULAR MAIL PIECE BY AGE OF HEAD OF HOUSEHOLD

POSTAL YEAR 1988

	Read Immediately		Set Aside		Found Useful		Definitely[1] Will Respond	
Age of Head	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household
18–21	46.9	1.5	2.9	0.1	40.0	1.3	13.3	0.3
22–24	44.0	1.8	7.3	0.3	38.1	1.6	18.6	0.7
25–34	42.2	3.0	7.3	0.5	43.1	3.0	14.6	0.9
35–44	38.4	3.2	8.4	0.7	40.9	3.4	13.7	1.0
45–54	39.0	3.9	8.0	0.8	40.5	4.0	13.0	1.1
55–64	42.7	3.8	7.7	0.7	38.6	3.4	12.9	1.0
65–69	43.6	3.7	8.5	0.7	39.9	3.4	10.9	0.8
70 +	43.1	3.1	6.9	0.5	37.0	2.7	9.8	0.6

1—Of pieces identified by respondents as containing an advertisement or request for funds.

Source: USPS Household Diary Study 1989

RESPONSE TO THIRD-CLASS BULK REGULAR ADVERTISING BY SHAPE

POSTAL YEAR 1988
(IF MAIL PIECE CONTAINED ADVERTISING OR REQUEST FOR DONATION)

	Letter Size Envelope	Larger Than Letter Envelope	Detached Label Card	Postcard	Catalog Not In Envelope	Flyers	Newspapers/ Magazines	Total[1]
Yes	11.3	15.4	5.8	10.9	16.3	13.3	8.8	13.1
No	70.5	63.2	70.3	70.9	46.1	54.5	50.1	59.3
Maybe	12.9	16.5	10.5	11.2	33.1	21.2	18.0	19.9
No Answer	5.4	4.9	13.4	7.0	4.4	11.0	23.0	7.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Pieces Per Household Per Week	1.9	1.3	0.6	0.2	1.4	2.4	0.2	8.0

1—Total includes pieces for which no response was given as to shape.

Source: USPS Household Diary Study 1989

NUMBER OF MAIL ORDER PURCHASES* WITHIN THE LAST YEAR BY INCOME

POSTAL YEAR 1988
(PERCENTAGE OF HOUSEHOLDS)

NUMBER OF PURCHASES	LESS THAN $7K	$7K– $9.9K	$10K– $14.9K	$15K– $19.9K	$20K– $24.9K	$25K– $29.9K	$30K– $34.9K	$35K $49.9K	$50K– $64.9K	$65K– OVER	TOTAL
0	60.3	66.6	55.4	50.9	42.8	41.9	41.8	35.3	28.5	18.0	44.9
1–2	18.0	15.5	19.1	19.2	20.6	20.7	20.5	20.4	18.7	28.8	19.8
3–5	13.3	8.6	15.9	15.9	16.7	14.7	19.9	20.8	21.3	22.8	16.8
6–10	6.5	7.2	4.4	8.6	11.2	14.3	9.4	12.5	17.1	12.9	10.2
11 +	1.8	1.8	3.8	4.5	8.6	8.0	7.9	10.5	12.1	18.5	7.5
Don't Know/ No Answer	0.1	0.3	1.4	0.8	0.2	0.4	0.6	0.5	2.3	0.0	0.9
TOTAL HOUSEHOLDS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
MEAN	1.6	1.7	2.0	2.5	4.0	3.8	3.5	4.2	6.6	6.4	3.5

*From entry interview.

Source: USPS Household Diary Study 1989

TREATMENT OF THIRD-CLASS REGULAR MAIL PIECE BY FAMILIARITY WITH ORGANIZATION

POSTAL YEAR 1987 & 1988
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

Treatment	Organization Known, Household Does Business With Already		Organization Known		Organization Not Known		Total	
	1987	1988	1987	1988	1987	1988	1987	1988
READ	58.4	58.2	31.2	30.2	26.2	23.9	41.5	41.1
LOOKED AT	23.3	24.4	38.2	39.2	35.2	34.1	26.4	27.3
DISCARDED	7.0	7.2	23.5	23.6	31.1	34.0	14.0	15.1
SET ASIDE	10.2	9.4	6.3	6.2	6.4	7.0	8.1	7.7
DON'T KNOW/NO ANSWER	1.1	0.8	0.8	0.9	1.2	1.1	10.0	8.7
TOTAL MAIL RECEIVED BY HOUSEHOLDS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study 1988 & 1989

USEFULNESS OF THIRD-CLASS REGULAR MAIL PIECE BY FAMILIARITY WITH ORGANIZATION

POSTAL YEARS 1987 & 1988
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

Usefulness	Organization Known, Household Does Business With Already		Organization Known		Organization Not Known		Total	
	1987	1988	1987	1988	1987	1988	1987	1988
USEFUL	62.5	62.1	25.9	23.4	14.8	15.8	40.2	40.2
INTERESTING	21.7	22.4	31.7	34.4	24.4	23.1	22.0	23.0
NOT INTERESTING	10.6	10.9	32.9	32.9	46.7	46.8	21.3	21.5
OBJECTIONABLE	2.2	2.4	6.7	6.0	10.7	10.7	4.6	4.6
DON'T KNOW/NO ANSWER	3.1	2.2	2.8	3.2	3.4	3.7	12.0	10.6
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study 1988 & 1989

RESPONSE TO THIRD-CLASS BULK REGULAR MAIL PIECE BY INCOME

POSTAL YEARS 1987 & 1988

	Read Immediately				Set Aside			
	Percent		Pieces Per Household		Percent		Pieces Per Household	
Income	1987	1988	1987	1988	1987	1988	1987	1988
Under $7K	43.0	37.8	1.6	1.6	18.8	8.9	0.3	0.4
$7K–$9.9K	41.0	48.5	2.1	2.3	18.8	5.6	0.3	0.3
$10K–$14.9K	45.0	44.7	2.6	2.7	11.9	7.7	0.5	0.5
$15K–$19.9K	45.0	47.1	2.9	3.0	9.4	6.0	0.6	0.4
$20K–$24.9K	42.5	44.7	2.8	3.3	8.5	7.1	0.6	0.5
$25K–$29.9K	44.2	41.6	3.5	3.2	8.0	8.4	0.6	0.7
$30K–$34.9K	41.4	40.5	3.6	3.6	8.3	7.4	0.7	0.7
$35K–$49.9K	41.4	41.3	3.9	4.0	7.5	8.2	0.8	0.8
$50K–$64.9K	41.1	36.7	4.4	4.3	7.0	8.2	0.8	1.0
$65K–$79.9K	40.4	38.2	6.1	4.6	6.7	10.1	1.5	1.2
$80K–$99.9K	31.4	43.6	4.4	6.1	8.9	5.3	1.3	0.7
$100K +	34.5	33.2	5.3	4.1	6.0	6.0	1.2	0.8

Source: USPS Household Diary Study 1988 & 1989

	Found Useful				Definitely[1] Will Respond			
	Percent		Pieces Per Household		Percent		Pieces Per Household	
Income	1987	1988	1987	1988	1987	1988	1987	1988
Under $7K	36.0	36.4	1.4	1.6	17.5	11.5	0.5	0.4
$7K–$9.9K	37.1	38.7	1.9	1.8	12.6	13.9	0.5	0.5
$10K–$14.9K	39.6	37.3	2.3	2.2	17.7	12.1	0.8	0.6
$15K–$19.9K	41.9	42.4	2.7	2.7	15.3	16.4	0.8	0.9
$20K–$24.9K	42.8	42.6	2.8	3.1	15.6	16.6	0.9	1.0
$25K–$29.9K	40.4	42.7	3.2	3.3	14.8	13.8	1.0	0.9
$30K–$34.9K	40.4	39.7	3.5	3.5	14.8	14.2	1.1	1.1
$35K–$49.9K	41.9	41.3	4.0	4.0	14.8	13.8	1.1	1.2
$50K–$64.9K	42.2	41.0	4.6	4.8	14.8	11.9	1.3	1.2
$65K–$79.9K	40.5	42.2	6.1	5.1	11.1	8.8	1.4	0.9
$80K–$99.9K	34.7	42.7	4.9	4.9	10.9	15.7	1.3	1.6
$100K +	32.0	34.7	4.9	4.3	10.1	9.6	1.3	1.0

1—Of pieces identified by respondent as containing an advertisement or request for funds.

Source: USPS Household Diary Study 1988 & 1989

RESPONSE TO THIRD-CLASS BULK REGULAR MAIL PIECE BY EDUCATION OF HEAD OF HOUSEHOLD

POSTAL YEAR 1988

Education of Head	Read Immediately		Set Aside		Found Useful		Definitely[1] Will Respond	
	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household
Less than 8th Grade	42.1	2.3	7.2	0.4	37.4	2.0	11.9	0.5
Some HS	47.7	2.7	7.5	0.4	42.2	2.4	15.3	0.7
High School	44.6	3.3	6.8	0.5	39.6	2.9	13.2	0.8
Some College	43.5	3.5	7.9	0.6	42.4	3.4	13.5	0.9
Professional or Technical School	42.4	3.1	9.5	0.7	43.3	3.2	13.2	0.8
College Grad	36.1	3.6	8.8	0.9	39.5	4.0	12.2	1.0
Post-Graduate	33.2	4.1	7.8	1.0	39.0	4.8	12.6	1.3

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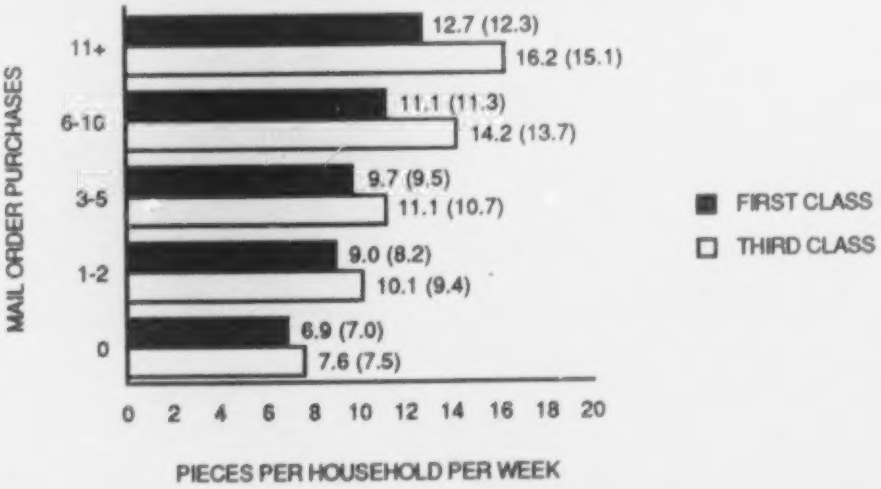
[1] —Of pieces identified by respondents as containing an advertisement or request for funds.

Source: USPS Household Diary Study 1989

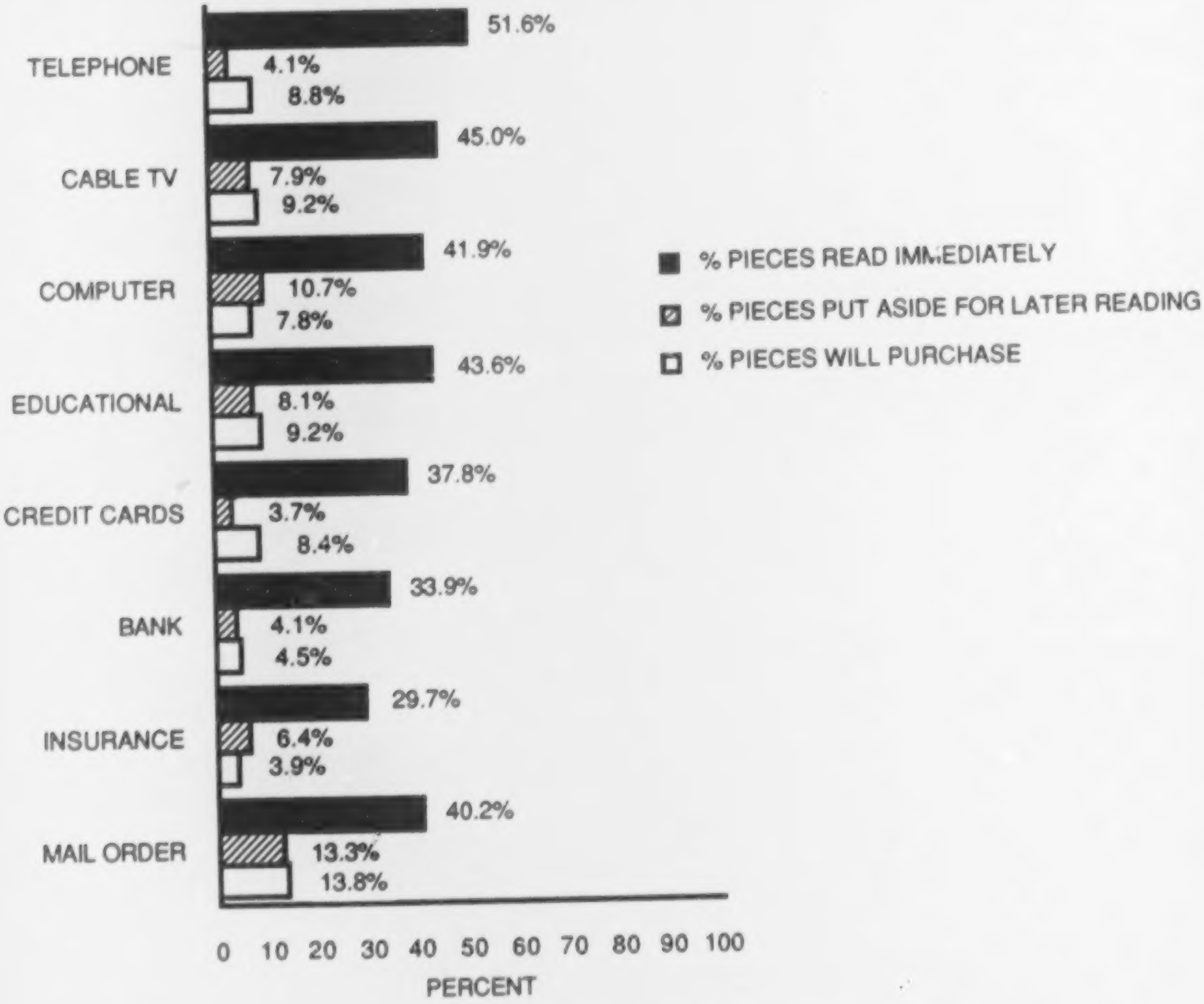
RECEIPT OF FIRST- AND THIRD-CLASS MAIL BY NUMBER OF MAIL ORDER PURCHASES MADE IN THE PAST YEAR

POSTAL YEAR 1987 & 1988 (Bars represent adjoining 1988 figures. 1987 figures are in parentheses)



Source: USPS Household Diary Study, 1988 & 1989

THIRD CLASS REGULAR MAIL REACTION BY SELECTED INDUSTRIES IN 1988



Source: USPS Household Diary Study, 1988, 1989.

1988 Mail Order Sales

The statistics below are published in the *1988 Guide to Mail Order Sales*, authored by Arnold Fishman (Marketing Logistics, Inc.) The 1988 Guide is the eighth annual study of the overall mail order business with broad coverage of all major demand and supply segments*. These statistics are based on Micro and/or Macro estimates.

Micro estimates are developed for mail order sales segments on the basis of estimates of sales size of individual mail order business in the segment utilizing such resources as company reports, press reports, industry reports, list data and publishing schedule data.

Macro estimates are developed for mail order direct marketing sales segments on the basis of aggregate estimates of mail order sales in the segment, or aggregate bases from which mail order sales are extrapolated from a source for that sales segment.

*For purposes of this study, mail order sales covers orders placed by mail, phone or electronically, without the person ordering coming to the point of sale to place the order or the seller coming to the office or home of the orderer to take the order using an agent to collect the order. It does include sales where the product or service is delivered in the store as long as the order was placed by mail, phone or electronically. It excludes sales:

- Through personal selling by any means even through outside the store.
- Where the order is placed at the catalog desk or elsewhere in the store even in response to a catalog or other direct response communication received in the home or office.
- Outside the store where the buyer seeks out the vendor's agent or vending machine.
- Where the order is obtained by personal selling even though an inquiry or lead was obtained through direct marketing communication.

	Amount (in billions)
Consumer:	
Products	$ 48.38
Specialty	38.37
General Merchandising	10.01
Services	28.78
Nonfinancial	16.18
Financial	12.60
TOTAL	77.16
Business:	
Products and Services	45.56
Charitable Contributions	41.75
MAIL ORDER TOTAL	164.47

U.S. consumer mail order sales of products and services were $77.2 billion in 1988, $48.4 billion in products and $28.8 billion in services. This represents a significant but still modest contribution to U.S. economic activity:

- 1.6 percent of gross national product
- 3.0 percent of retail sales
- 9.7 percent of general merchandise sales
- 1.7 percent of consumer service sales

On a per capita basis, Americans spent a total of $314 each by mail order in 1988.

U.S. business mail order sales in 1988 were $45.6 billion and charitable contributions were $41.8 billion. The total U.S. mail order sales and contributions were $164.47 billion.

While U.S. consumer mail order sales may appear modest on the overall scale of Gross National Product ($4.86 trillion), retail sales ($1.6 trillion) or general merchandise sales ($500 billion), they are immense as a source of sales. Mail order acccounts for more than Catalog Showrooms, Direct Selling and Vending Machines combined ($40.6 billion), more than the top 100 department stores ($44 billion), and as much as any single consumer selling channel except mass general merchandisers and supermarkets.

Source: 1988 Guide to Mail Order Sales, Marketing Logistics Inc., 1988

TOTAL POPULATION ORDERING BY MAIL

New Direct Mail Buying Habits

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self administered questionnaires and personal interviews. The statistics below represent consumers' responses to the *specific* instruction: Please mark any items listed below that you yourself ordered by mail or phone in the last 12 months. 40 products and service categories were listed.

	1987 Total U.S. (000)	1987 Total U.S. Buyers (000)	% Any Product	1988 Total U.S. (000)	1988 Total U.S. Buyers (000)	% Any Product	% Change from 1987 to 1988 Total Buyers	Total Change in Buyers by Mail 1987–1988 (000)
Total Adults	173681	53363	30.7	176250	57177	32.4	+ 7.15%	(+3814)
Males	82598	20973	25.4	84066	23831	28.3	+13.63%	(+2858)
Females	91083	32390	35.6	92184	33346	36.2	+ 2.95%	(+ 956)
18–24	27154	7094	26.1	26535	7035	26.5	− 0.83%	(− 59)
25–34	42000	13888	33.1	42634	14615	34.3	+ 5.23%	(+ 727)
35–44	32529	11626	35.7	33688	12599	37.4	+ 8.37%	(+ 973)
45–54	22698	7381	32.5	23361	8239	35.3	+11.62%	(+ 858)
55–64	21980	7007	31.9	22021	7267	33.0	+ 3.71%	(+ 260)
65 or Older	27319	6366	23.3	28011	7423	26.5	+16.60%	(+1057)
Graduated College	30437	11823	38.8	31644	12852	40.6	+ 8.70%	(+1029)
Attended College	32211	11557	35.9	32702	11145	34.1	− 3.56%	(− 412)
Graduated High School	68358	20978	30.7	69681	23814	34.2	+13.52%	(+2836)
Did Not Graduate High School	42675	9006	21.1	42223	9367	22.2	+ 4.01%	(+ 361)
Professional/Manager	26966	10258	38.0	28104	11485	40.9	+11.96%	(+1227)
Tech/Clerical/Sales	34963	11844	33.9	35802	13253	37.0	+11.90%	(+1409)
Precision/Craft	14199	3975	28.0	14098	4085	29.0	+ 2.77%	(+ 110)
Other Employed	29036	8329	28.7	33730	9853	29.2	+18.30%	(+1524)
Single	37160	9662	26.0	37865	10267	27.1	+ 6.26%	(+ 605)
Married	105311	34766	33.0	106963	37973	35.5	+ 9.22%	(+3207)
Divorced/Separated/ Widowed	31210	8934	28.6	31422	8937	28.4	+ 0.03%	(+ 3)
Parents	58618	20144	34.4	67328	23605	35.1	+17.18%	(+3461)
Northeast—Census	37504	10942	20.5	37366	11751	31.4	+ 7.39%	(+ 809)
Midwest	42665	15457	29.0	43426	16640	38.3	+ 7.65%	(+1183)
South	59354	15875	29.7	60402	17881	29.6	+12.64%	(+2006)
West	34158	11089	20.8	35057	10905	31.1	− 1.66%	(− 184)
Household Income								
$60,000 or More	16548	6242	37.7	20289	7527	37.1	+20.59%	(+1285)
$50,000 or More	26626	9884	37.1	31340	11600	37.0	+17.36%	(+1716)
$40,000 or More	47419	17388	36.7	53108	19862	37.4	+14.23%	(+2474)
$30,000 or More	76841	27747	36.1	82233	30534	37.1	+10.04%	(+2787)
$30,000–$39,999	29422	10360	35.2	29126	10672	36.6	+ 3.01%	(+ 312)
$20,000–$29,999	35594	11166	31.4	34891	12203	35.0	+ 9.29%	(+1037)
$10,000–$19,999	36140	9582	26.5	37097	9917	26.7	+ 3.50%	(+ 335)
Under $10,000	25107	4869	19.4	22029	4523	20.5	− 7.11%	(− 346)
Household Size								
1 Person	21267	5447	25.6	21267	5651	26.6	+ 3.75%	(+ 204)
2 People	54138	17042	31.5	55771	18626	33.4	+ 9.30%	(+1584)
3 or 4 People	70725	22502	31.8	71810	24562	34.2	+ 9.15%	(+2060)
5 or More People	27550	8373	30.4	27402	8338	30.4	− 0.42%	(− 35)
Children								
No Child in Household	101867	30136	29.6	104468	32472	31.1	+ 7.75%	(+2336)
Children Under 2 Years	14740	5270	35.8	14095	4470	31.7	−15.18%	(− 800)
2–5 Years	25443	8387	33.0	25865	8770	33.9	+ 4.57%	(+ 383)
6–11 Years	31478	10259	32.6	33171	11690	35.2	+13.95%	(+1431)
12–17 Years	33498	10470	31.3	33224	11319	34.1	+ 8.12%	(+ 849)
Residence Owned	119593	39601	33.1	123262	43571	35.3	+10.02%	(+3970)
Value: $60,000 or More	65738	22598	34.4	70282	25273	36.0	+11.84%	(+2675)
Less than $60,000	53855	17003	31.6	52980	18298	34.5	+ 7.62%	(+1295)

Source: Simmons Market Research Bureau: 1987, 1988 Study of Media and Markets

LEADING U.S. COMPANIES 1988 MAIL ORDER SALES

1988 Rank	Company Name	Sales Segment	Mail Order Sales (in millions)
1	United Services Automobile Association	Insurance	2,180.4
2	Time, Inc.	Books, Magazine Subscriptions, Cable TV	1,997.1
3	Sears, Roebuck & Company	General Merchandise, Insurance, Auto Clubs	1,596.7
4	Tele-Communications	Cable TV	1,468.0
5	GEICO	Insurance	1,429.6
6	Reader's Digest	Books, Collectibles, General Merchandise, Magazine Subscriptions	1,420.0
7	Otto Versand (Spiegel)	General Merchandise, Sporting Goods, Apparel	1,384.1
8	Primerica (Fingerhut)	Audio-Video, Food, Gardening, General Merchandise, Insurance	1,145.5
9	AT&T	Business Services, Consumer Electronics	1,132.2
10	American Cable & Communications	Cable TV	1,066.8
11	JC Penney	General Merchandise, Insurance	1,020.8
12	American Automobile Association	Auto Clubs	1,000.0
13	Capital Holding (Liberty Mutual)	Insurance	951.9
14	American Express	General Merchandise, Insurance, Cable TV	932.4
15	Campeau (Bloomingdales)	Apparel, General Merchandise	853.1
16	FPL Group (Colonial Penn)	Insurance	794.9
17	Home Shopping Network	Apparel, Health, General Merchandise	765.4
18	Dow Jones	Magazines, Cable TV	643.2
19	Continental Cablevision	Cable TV	632.9
20	L.L. Bean	Sporting Goods	530.0
21	Limited, Inc.	Apparel	517.0
22	CVN Companies	General Merchandise, Industrial	510.9
23	Federal Express	Business Services	510.0
24	20th Century Industries	Insurance	502.8
25	Medco Containment Services	Health	502.5
26	American Protection Industries (Franklin Mint)	Collectibles, Records	500.0
27	May Department Stores	General Merchandise	478.6
28	U.S. Government	Business Services, Collectibles, Health, Educational Services	475.3
29T	MCI	Business Services	470.0
29T	Sprint	Business Services	470.0
31	Lands' End	Sporting Goods	456.0

1988 Rank	Company Name	Sales Segment	Mail Order Sales (in millions)
32	Bertelsmann (Doubleday, BMG)	Audio-Video, Books, Magazine Subscriptions, General Merchandise	445.5
33	Digital Equipment Corporation	Business Supplies	440.0
34	R.H. Macy	General Merchandise, Health	435.7
35T	Henry Schein Co.	Industrial	430.0
35T	United Telecom	Cable TV	430.0
37	New Process Co.	Apparel	418.3
38	Storer	Cable TV	415.2
39	Newhouse (Condé Nast)	Magazine Subscriptions, Cable TV	412.3
40	Times Mirror	Books, Magazine Subscriptions, Cable TV	408.3
41	Warner Communications	Cable TV	407.3
42	Cox Enterprises	Cable TV	399.5
43	Comcast Cable	Cable TV	385.7
44	Gulf & Western	Books, Business Services	385.0
45	UA Cablesystems	Cable TV	353.5
46	United Cable Television	Cable TV	340.5
47	McGraw Hill	Business Services	334.2
48	Viacom Cablevision	Cable TV	305.3
49	Cablevision Industries	Cable TV	301.0
50T	Horn & Hardart (Hanover House)	Apparel, Gardening, General Merchandise, Gifts, Sporting Goods	300.0
50T	Montgomery Ward	General Merchandise, Financial Services, Auto Clubs	300.0
52	Bradford Exchange	Collectibles, General Merchandise	295.0
53	BATUS	General Merchandise	279.9
54	Service Merchandise	General Merchandise	279.0
55	IBM	Business Supplies, Business Services, Educational	275.0
56	General Cinema	Apparel, General Merchandise, Gifts	271.1
57	Field Corp.	Books, Food, Children's Toys	260.0
58	Standard Oil of Indiana	Auto Clubs, Insurance, General Merchandise	254.3
59	Sony	Audio Video, General Merchandise	250.0
60	News America Publishing	Magazine Subscriptions	249.0
61	Carson Pirie Scott	Apparel, General Merchandise, Gifts, Jewelry	243.4
62	Quill Corp.	Business Supplies	240.0
63	Hachette	Books, Business Services, Collectibles, General Merchandise, Magazine Subscriptions	239.8
64	CUNA Mutual Insurance Society	Insurance	234.3
65	American Association of Retired Persons	Health, Magazines	231.4
66	INMAC	Business Supplies	222.8

1988 Rank	Company Name	Sales Segment	Mail Order Sales (in millions)
67	Kemper	Insurance	222.3
68	Meredith	Books, Magazine Subscriptions	221.0
69	Sara Lee	Apparel, Food, Home Furnishings	218.2
70	New England Business Service	Business Supplies	217.5
71	Century Communications	Cable TV	211.3
72	AON	Insurance	210.6
73	Deluxe Printers (Quill)	Business Supplies, Stationery	210.0
74	Washington Post	Magazine Subscriptions, Cable TV	205.0
75T	Best Products	General Merchandise	200.0
75T	Comp-U-Card	General Merchandise	200.0
75T	Publishers Clearing House	Magazine Subscriptions	200.0
78	Adelphia Communications	Cable TV	194.5
79	Shaklee	Food, Gardening	194.0
80	QVC Network	General Merchandise	193.2
81	Cooke Cablevision	Cable TV	187.5
82	Arizona Mail Order	Apparel, Gifts	186.0
83	McMaster Carr	Industrial	181.1
84	Carter Hawley Hale	General Merchandise	180.4
85	Dreyfus Corporation	Financial Services	176.4
86	Commerce Clearing House	Business Services	175.5
87	National Geographic Society	Magazine Subscriptions, Business Supplies	166.0
88	Cablevision Systems Development	Cable TV	163.5
89T	Dell Computer Corp.	Consumer Electronics	159.0
89T	Direct Marketing Enterprises	Collectibles, Food, Jewelry	159.0
91	Mercantile Stores	General Merchandise	155.6
92	Monumental Corp.	Insurance	154.4
93	Telecable Corp.	Cable TV	152.8
94	Hearst	Magazine Subscriptions, General Merchandise	152.5
95	Centel Cable	Cable TV	151.9
96T	Continental Dynamics	Business Supplies, Industrial	150.0
96T	Dak Industries	Consumer Electronics	150.0
96T	Falcon Communications	Cable TV	150.0
96T	Garden Way	Gardening	150.0
100	Teachers Insurance & Annuity	Insurance	147.3

NOTE: "T" after ranking indicates a tie for that place.

Source: 1988 Guide to Mail Order Sales, Marketing Logistics and Direct Marketing Magazine, July 1989

SHELL ALPERT'S DIRECT MAIL
BALLPARK-BUDGET COSTIMATOR™

The sole purpose of the Costimator Tables shown here is to aid direct marketers in the initial stages of planning cost-effective direct mail campaigns. Because of production-cost variables (labor, materials, overhead, workload, markup, etc.), Costimator prices may be as much as 20% higher or lower than actual supplier quotations. Usually, however, mailers who seek competitive bids from different vendors— and who allow enough turnaround time for economical production—will be able to meet (or likely beat) these Costimator prices.

In some cases, dramatic cost reductions can be achieved by purchasing odd-lot, remnant, or surplus paper stocks (paper often accounts for 40% to 60% of printing costs)—or by scheduling out-of-season production runs (hungry suppliers may be more interested in recovering overhead expense than making a profit). Mail marketers are well-advised to obtain quotes not only from vendors, but also from printing brokers and production-oriented agencies. (They frequently know where the real "bargains" are hiding and waiting to be exploited.)

Costimator prices do *not* include creative costs (copy, design, layout, etc.), the expense of preparing camera-ready mechanical art (color separations, printing negatives, etc.). Likewise, expenditures for original illustrations and photography must also be added.

Source: Shell Alpert,
Alpert O'Neil Tigre & Co
June, 1987

LITHO LETTERS (NOT PERSONALIZED)
COST PER THOUSAND

					COST PER THOUSAND			
FINISHED SIZE	**ITEM**	**LEAVES/PAGES**	**STOCK**	**COLORS/SIDES**	**10M**	**50M**	**100M**	**300m**
8-½" × 11"	Letter*	1/1	60# Offset	1/1	$34.15	$15.85	$12.48	$ 8.54
8-½" × 11"	Letter*	1/1	24# Rag Bond	1/1	41.10	19.26	15.06	10.27
8-½" × 11"	Letter*	1/1	60# Offset	2/1	42.85	15.20	11.92	8.54
8-½" × 11"	Letter*	1/1	24# Rag Bond	2/1	52.83	18.08	14.33	10.27
8-½" × 11"	Letter*	1/2	60# Offset	1/2	40.53	17.47	13.97	10.20
8-½" × 11"	Letter*	1/2	24# Rag Bond	1/2	48.39	20.96	16.71	12.61
8-½" × 11"	Letter*	1/2	60# Offset	2/2	67.46	18.68	14.70	10.20
8-½" × 11"	Letter*	1/2	24# Rag Bond	2/2	81.18	22.34	17.73	12.61
8-½" × 11"**	Letter*	2/4	60# Offset	1/2	65.66	27.14	23.27	18.94
8-½" × 11"**	Letter*	2/4	24# Rag Bond	1/2	79.35	32.56	33.31	22.76
8-½" × 11"**	Letter*	2/4	60# Offset	2/2	84.87	27.59	23.79	18.94
8-½" × 11"**	Letter*	2/4	24# Rag Bond	2/2	99.67	33.12	28.47	22.76

*Folded twice to fit #10 envelope.
**11" × 17" folded once to 8-½" × 11".

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

COMPUTERIZED LETTERS (PERSONALIZED)
COST PER THOUSAND

MEGATYPING(a)					**COST PER THOUSAND**	
FINISHED SIZE	**ITEM**	**LEAVES/PAGES**	**STOCK**	**COLORS/SIDES**	**50M**	**100M**
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$146.71	$100.92
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	150.02	103.26
8-½" × 11"*	Letter	1/1	60# Offset	2/1	148.86	102.89
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	152.21	104.55
8-½" × 11"*	Letter	2/2	60# Offset	1/1 ea.	202.09	197.87
8-½" × 11"*	Letter	2/2	24# Rag Bond	1/1 ea.	207.17	201.47
8-½" × 11"*	Letter	2/2	60# Offset	2/1 ea.	205.10	199.86
8-½" × 11"*	Letter	2/2	24# Rag Bond	2/1 ea.	209.18	203.00

XEROX 9700(b)					**COST PER THOUSAND**	
FINISHED SIZE	**ITEM**	**LEAVES/PAGES**	**STOCK**	**COLORS/SIDES**	**50M**	**100M**
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$ 56.47	$ 47.92
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	59.69	50.30
8-½" × 11"*	Letter	1/1	60# Offset	2/1	57.71	49.57
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	61.31	51.76
8-½" × 11"*	Letter	1/2	60# Offset	1/2 ea.	96.45	89.05
8-½" × 11"*	Letter	1/2	24# Rag Bond	1/2 ea.	99.25	91.27
8-½" × 11"*	Letter	1/2	60# Offset	2/2 ea.	100.38	89.75
8-½" × 11"*	Letter	1/2	24# Rag Bond	2/2 ea.	103.40	92.59

IBM LASER(c)					**COST PER THOUSAND**	
FINISHED SIZE	**ITEM**	**LEAVES/PAGES**	**STOCK**	**COLORS/SIDES**	**50M**	**100M**
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$ 47.84	$ 40.01
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	57.95	49.20
8-½" × 11"*	Letter	1/1	60# Offset	2/1	51.03	41.97
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	62.35	51.07
8-½" × 11"*	Letter	1/2	60# Offset	1/2	54.19	43.72
8-½" × 11"*	Letter	1/2	24# Rag Bond	1/2	65.30	53.15
8-½" × 11"*	Letter	1/2	60# Offset	2/2	60.03	47.02
8-½" × 11"*	Letter	1/2	24# Rag Bond	2/2	74.01	57.44

*Folded to fit #10 envelope.

(a) Produced by computer driven typewriters, indistinguishable from hand-typing, superb quality.
(b) Sheetfed laser process, very clean and sharp, close to word-processing quality (but may "crack" on foldlines).
(c) Better than old-style impact processes, but still has computerized look; tractor fed, requires continuous forms.

Prices for all computerized letters include litho-printed letterheads and signatures in 1 or 2 colors. Possible charges for data conversion, reformatting tapes, special programming, embedded variables, etc., are not included.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

CARRIER ENVELOPES
STOCK 24# WHITE WOVE
COST PER THOUSAND

					COST PER THOUSAND		
NO.	SIZE	STYLE	COLOR	WINDOW	10M	50M	100M
6-¼	3-9/16" × 6"	Diagonal Seam	1	cello	$31.10	$15.97	$13.35
6-¼	3-9/16" × 6"	Diagonal Seam	1	open	29.90	14.81	12.26
6-¼	3-9/16" × 6"	Diagonal Seam	2	cello	33.44	16.47	13.76
6-¼	3-9/16" × 6"	Diagonal Seam	2	open	32.37	15.32	12.72
9	3-⅞" × 8-⅞"	Diagonal Seam	1	cello	31.70	16.91	14.84
9	3-⅞" × 8-⅞"	Diagonal Seam	1	open	30.41	15.81	13.66
9	3-⅞" × 8-⅞"	Diagonal Seam	2	cello	33.95	17.38	15.20
9	3-⅞" × 8-⅞"	Diagonal Seam	2	open	32.72	16.17	14.05
10	4-⅛" × 9-½"	Diagonal Seam	1	cello	34.45	17.41	15.34
10	4-⅛" × 9-½"	Diagonal Seam	1	open	33.40	16.14	14.28
10	4-⅛" × 9-½"	Diagonal Seam	2	cello	37.05	17.88	15.75
10	4-⅛" × 9-½"	Diagonal Seam	2	open	35.68	16.59	14.56
—	6" × 9"	Booklet, open side	1	cello	74.00	49.71	47.10
—	6" × 9"	Booklet, open side	1	open	72.63	48.44	45.85
—	6" × 9"	Booklet, open side	2	cello	76.60	50.38	47.65
—	6" × 9"	Booklet, open side	2	open	75.28	49.12	46.25

Note: For closed-face (no window) envelope, deduct $1.25/M from open-window price.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

REPLY ENVELOPES
STYLE = DIAGONAL SEAM
STOCK = 24# WHITE WOVE
COST PER THOUSAND

				COST PER THOUSAND		
NO.	SIZE	ITEM	COLOR	10M	50M	100M
6-¼	3-9/16" × 6"	BRE	1	$30.02	$14.96	$12.16
6-¼	3-9/16" × 6"	BRE	2	32.47	15.26	12.56
7-¾	3-⅞" × 7-½"	BRE	1	30.69	15.12	12.43
7-¾	3-⅞" × 7-½"	BRE	2	33.02	15.58	12.79
10	4-⅛" × 9-½"	BRE	1	33.47	16.26	14.22
10	4-⅛" × 9-½"	BRE	2	35.97	16.74	14.63

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

REPLY CARDS/ORDER FORMS
COST PER THOUSAND

				COST PER THOUSAND		
FINISHED SIZE	ITEM	STOCK	COLORS/SIDES	10M	50M	100M
5-½" × 3-½"	BRC	7 pt. Hi-Bulk	1/2	$25.75	$11.15	$ 9.25
5-½" × 3-½"	BRC	7 pt. Hi-Bulk	2/2	39.40	14.75	12.05
8-½" × 5-½"	BRC	7 pt. Hi-Bulk	1/2	40.55	19.10	15.70
8-½" × 5-½"	BRC	7 pt. Hi-Bulk	2/2	68.40	24.25	20.65
5-½" × 3-½"	Order Form	60# Offset	1/2	23.95	10.30	8.35
5-½" × 3-½"	Order Form	60# Offset	2/2	37.30	13.70	11.10
8-½" × 5-½"	Order Form	60# Offset	1/2	38.40	17.75	14.35
8-½" × 5-½"	Order Form	60# Offset	2/2	64.50	22.60	18.80

Souce: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

SELF-MAILING FORMATS
COST PER THOUSAND

FINISHED SIZE	ITEM	LEAVES/PANELS	STOCK	COLORS/SIDES	COST PER THOUSAND 10M	50M	100M
3-½" × 6"	Double Card	2/4	65# Cover	1/2	$54.88	$20.71	$16.95
3-½" × 6"	Double Card	2/4	65# Cover	2/2	69.55	22.77	18.07
3-⅔" × 8-½"*	Self-Mailer	3/6	65# Cover	1/2	52.32	28.26	21.76
3-⅔" × 8-½"*	Self-Mailer	3/6	65# Cover	2/2	104.73	30.13	23.11
5-½" × 8-½"**	Self-Mailer	2/4	65# Cover	1/2	62.32	28.26	21.76
5-½" × 8-½"**	Self-Mailer	2/4	65# Cover	2/2	104.73	30.13	23.11
8-½" × 11"***	Self-Mailer	2/4	65# Cover	1/2	94.10	39.70	36.72
8-½" × 11"***	Self-Mailer	2/4	65# Cover	2/2	128.06	45.39	38.00
8-½" × 11"***	Self-Mailer	2/4	65# Cover	4/2	192.60	59.32	48.62

* 8-½" × 11" folded twice.
** 8-½" × 11" folded once.
*** 11" × 17" folded once.

Souce: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

BROCHURES, FOLDERS, ETC.
COST PER THOUSAND

FINISHED SIZE	ITEM	LEAVES/PANELS	STOCK	COLORS/SIDES	COST PER THOUSAND 10M	50M	100M	300M
3-½" × 6"	Folder	2/4	60# Coated	1/2	$38.00	$27.50	$22.30	---
3-½" × 6"	Folder	2/4	60# Coated	2/2	66.75	34.50	26.05	---
5-½" × 8-½"	Brochure	2/4	60# Offset	1/2	40.10	18.93	14.90	---
5-½" × 8-½"	Brochure	2/4	60# Offset	2/2	68.35	19.87	15.65	---
5-½" × 8-½"	Brochure	2/4	60# Offset	4/2	99.40	34.40	22.15	---
8-½" × 11"	Brochure	2/4	60# Offset	1/2	65.85	27.85	24.25	20.72
8-½" × 11"	Brochure	2/4	60# Offset	2/2	83.15	28.30	24.95	21.05
8-½" × 11"	Brochure	2/4	60# Offset	4/2	101.50	37.40	31.25	24.25
8-½" × 11"		*/8	60# Coated	2/2	154.50	86.50	72.00	57.47
8-½" × 11"	Broadside	*/8	60# Coated	4/2	223.20	105.40	80.10	60.10
8-½" × 11"	Broadside	*/8	80# Coated	2/2	171.70	98.00	79.95	64.45
8-½" × 11"	Broadside	*/8	80# Coated	4/2	240.25	118.20	89.35	66.80

* 22" × 17" folded twice to form eight 8-½" × 11" panels; same as 8-page booklet, but not trimmed & stitched.

Souce: Shell Alpert, Alpert O'Neil Tigre & Co.

BIND-IN REPLY FORMATS
(2 PAGES & ENVELOPE)
COST PER THOUSAND

FLAT SIZE	FINISHED SIZE	ITEM	STOCK	COST PER THOUSAND 10M	50M	100M
8-½" × 13"	8-½" × 6-½"	Bind-In Env./Ord. Form	50# Offset	$50.16	$18.98	$13.46
8-½" × 17"	8-½" × 8-½"	Bind-In Env./Ord. Form	50# Offset	51.09	34.22	23.37

NOTE: Press-finished bind-ins (such as above) are available in numerous sizes and styles, with one or two made-up envelopes and two-page or multi-page order forms and promo panels; can be printed and bound, in line, with booklets or catalogs on web presses, or stitched-in during separate bindery operation.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

LETTERSHOP OPERATIONS
COST PER THOUSAND

INSERTED IN #10 ENVELOPES*	COST PER THOUSAND	
	20-25M	**OVER 25M**
ONE ITEM	$26.00	$22.00
TWO ITEMS	26.00	22.00
THREE ITEMS	26.00	22.00
FOUR ITEMS	30.00	24.50
FIVE ITEMS	30.00	24.50
SIX ITEMS	30.00	24.50
INSERTED IN 6″ × 9″ ENVELOPES*		
ONE ITEM	$28.00	$25.50
TWO ITEMS	28.00	25.50
THREE ITEMS	28.00	25.50
FOUR ITEMS	36.00	29.00
FIVE ITEMS	36.00	29.00
SIX ITEMS	36.00	29.00

POSTAL METERING @ $2/M.

MACHINE STAMP AFFIXING @ $5/M.

*Includes insertion of prefolded elements, labeling, sealing, tieing, bagging and mailing via regular third-class bulk rate. (Assuming 4-up Cheshire labels supplied in Zip Code sequence.)

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

MISCELLANEOUS DIRECT MAIL ITEMS
COST RANGES

DIRECT MAIL ITEMS	COST RANGE
KEYPUNCHING NAMES/ADDRESSES (FROM HARD COPY) TO PRODUCE COMPUTER MAILING LIST	$115/M—$150/M
ABOVE WITH VERIFICATION	$195/M—$280/M
TYPE-AND-SCAN NAMES/ADDRESSES TO PRODUCE COMPUTER MAILING LIST	$ 40/M—$ 75/M
PRINT AND AFFIX PEEL-OFF CARDS, THIN GAUGE	$ 55/M—$ 95/M
EMBOSS TYPE OR LOGO, BLIND	$ 9/M—$ 20/M
EMBOSS TYPE OR LOGO, FOIL	$ 14/M—$ 30/M
EMBOSSING DIES, SMALL	$200—$450 ea.
SPECIAL ENVELOPE WINDOW DIES	$225—$475 ea.
SPECIAL "LINED" CHESHIRE LABELS	$ 5/M—$ 7/M
PIGGYBACK (PEEL-OFF LABELS)	$ 6/M—$ 8/M
SERIAL NUMBERING	$ .70/M—$.95/M

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1987

DIRECT MAIL
WORKING BUDGET DIRECT MAIL SPECIMEN

Great North American Widget Corporation
Consumer Solo-Mailing Campaign
Two-for-One Widget Offer
(Approx. Net Quantity, 100,000 [100M]; Scheduled Drop Date, 7/30/88)
WORKING BUDGET
Prepared by Frank N. Stine, Mar. 15, 1988

A. CREATIVE		
1. Preliminary roughs and dummies	$ 200.00	
2. Copy, including revises	2,750.00	
3. Tignt comp. layouts	750.00	
4. Contingency reserve	355.00	
TOTAL	$ 4,055.00	(5.6%)
B. ART & PREPARATION		
1. Mechanical art & preparation	$ 1,000.00	
2. Typography, including AAs	1,250.00	
3. Repros, pos, prints, reading copies, etc	175.00	
4. Line illustrations (7)	280.00	
5. Photography	900.00	
6. Model fees	350.00	
7. Color separations (2)	900.00	
8. Colorkey proofs	250.00	
9. Stripped-in print films	380.00	
10. Contingency reserve	1,000.00	
TOTAL	$ 6,485.00	(9.0%)
C. PRINTING PRODUCTION		
1. 4-pg. litho let., 8-½ × 11", 2 colors* (105M @ $23.79/M)	$ 2,497.95	
2. 16-pg booklet, 5-½" × 8-½", 4 colors* (105M @ $90.50/M)	9,502.50	
3. Reply card, 3-½" × 5-½", 2 colors (105M @ $12.05/M)	1,265.25	
4. BRE, #7-¾, one color (105M @ $12.27/M)	1,288.35	
5. Outer env., 6" × 9", 2 color, cello wind. (105M @ $46.75/M)	4,908.75	
6. Contingency reserve	2,000.00	
TOTAL	$21,462.80	(30.0%)
D. MAILING LISTS		
1. Mailorder respondents (tape) 70M* @ $85/M	$ 5,950.00	
2. Active magazine subs (tape) 45M* @ $55/M	2,475.00	
3. Contingency reserve	1,000.00	
TOTAL	$ 9,425.00	(13.0%)
E. COMPUTER PROCESSING		
1. Reformating, data conversion, etc.	$ 350.00	
2. Merge/Purge (115M @ $9.25/M)	1,063.75	
3. Code and run 4-up labels (100M @ $3.50/M)	350.00	
4. Reports & directory printout	175.00	
5. Contingency reserve	400.00	
TOTAL	$ 2,338.75	(3.2%)
F. LETTERSHOP PRODUCTION		
1. Insert, label, sort, mail, etc. (100M @ $28.25)	$ 2,825.00	
2. Affix bulk-rate stamps (100M @ $5/M)	500.00	
3. Audit & pull samples (100M @ $1.75/M)	175.00	
4. Contingency reserve	250.00	
TOTAL	$ 3,750.00	(5.2%)
G. ALLOCATED FEES		
1. Ad Agency	$ 6,000.00	
2. Consultant	1,500.00	
3. Contingency reserve	1,000.00	
TOTAL	$ 8,500.00	(11.7%)
H. POSTAGE		
1. 100M @ $167/M	$16,700.00	(23.0%)
BUDGETED GRAND TOTAL	$72,716.55	(100%)

*Folded NOTE: Freight charges included
Budgeted Total without Cont. Reserves = $66,711.55

Source: Shell Alpert, Alpert O'Neil Tigre & Co., June 1988

THIRD CLASS BULK REGULAR MAIL ZIP CODE USAGE BY SHAPE

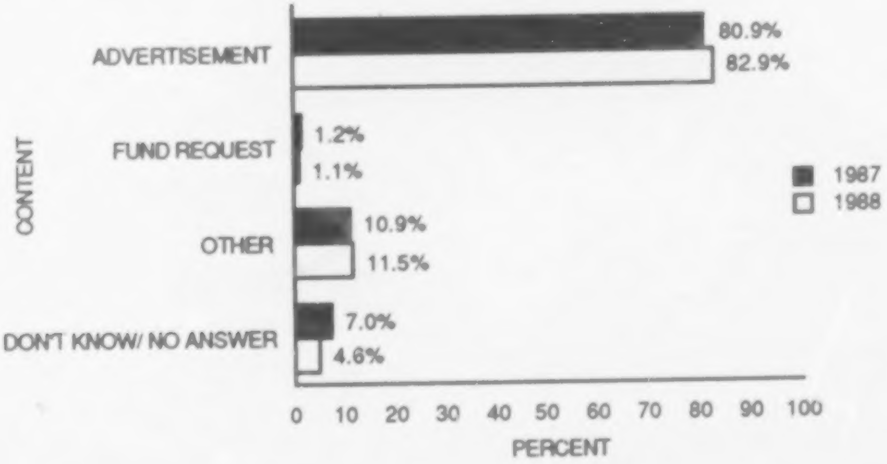
POSTAL YEAR 1988
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

ZIP Code Mailing Address	In Letter Size Envelope	Larger than Letter Envelope	Detached Label Card	Postcard	Catalog Not in Envelope	Flyers	Newspapers/ Magazines	Total
5 Digits	93.8	95.1	99.3	89.9	94.0	88.3	82.5	92.4
Zip + 4	4.0	3.4	0.1	4.0	4.4	3.2	3.1	3.4
Zip Not Included	0.2	0.3	0.5	5.2	1.4	7.9	11.7	3.1
Don't know/No Answer	1.9	1.2	0.1	0.9	0.3	0.5	2.7	1.1
Total Mail Received by Households	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study 1989

THIRD-CLASS BULK REGULAR CONTENT OR MAILPIECE

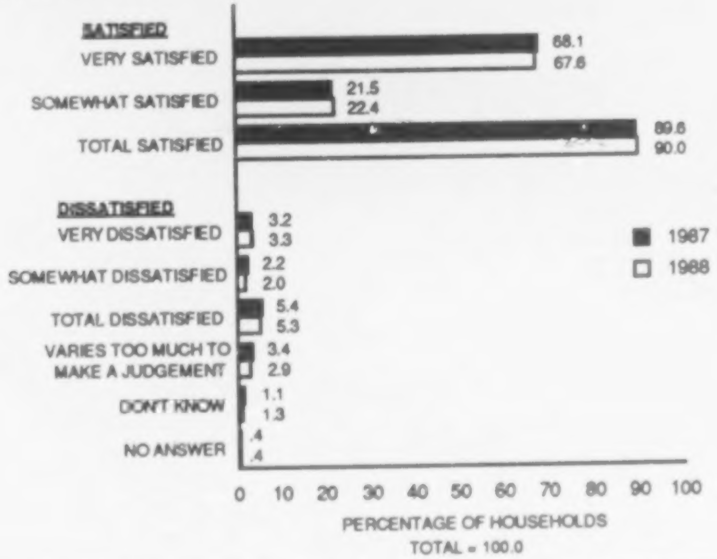
(PERCENTAGE OF BULK REGULAR MAIL RECEIVED BY HOUSEHOLDS)
POSTAL YEARS 1987 & 1988



Source: USPS Household Diary Study, 1988 & 1989

SATISFACTION WITH MERCHANDISE RECEIVED THROUGH THE MAIL

(ANSWERED ONLY IF ORDERED IN PAST YEAR)
POSTAL YEARS 1987 & 1988



Source: USPS Household Diary Study, 1988 & 1989

THIRD-CLASS BULK MAIL RECEIVED CALENDAR YEAR 1987 AND POSTAL YEAR 1988

	Percentage of Total Rate Category		Pieces Per Household Per Week	
	1987	**1988**	**1987**	**1988**
Regular				
Non-Carrier Route Presort (non-package)	81.8	84.9	3.88	3.99
Carrier Route Presort (non-package)	67.1	67.7	3.90	4.04
Packages	0.5*	0.5	.07	0.06
Total Regular	74.3	75.8	7.85	8.08
Non-Profit				
Non-Carrier Route Presort	82.4	85.8	1.55	1.63
Carrier Route Presort	69.3	71.5	0.35	0.33
Total Non-Profit	79.6	82.9	1.90	1.96
Total Third-Class Bulk Mail Received By Households	75.3	77.1	9.76	10.04

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*—Percentage of Total Third-Bulk Regular.

Source: USPS Household Diary Study 1988 & 1989.

THIRD-CLASS BULK REGULAR MAIL/ADDRESSEE BY RATE

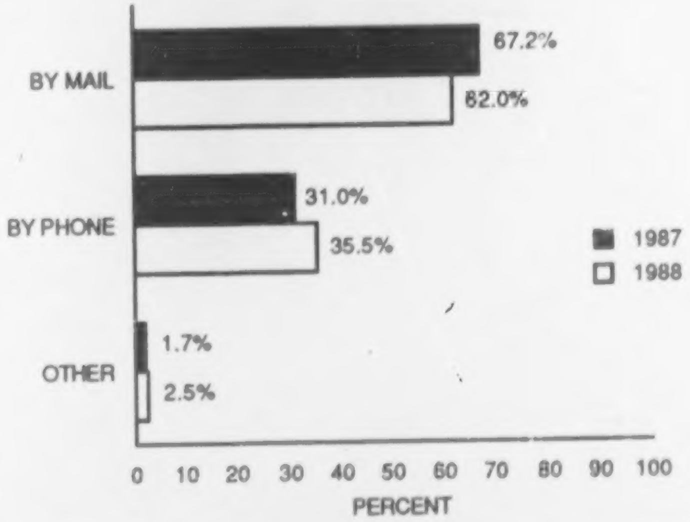
POSTAL YEAR 1987
(CARRIER VS. NONCARRIER ROUTE)

	Percent of Household Mail			
	Non Carrier Route		Carrier Route	
Addressee	1987	1988	1987	1988
ADDRESSED TO SPECIFIC PERSON	74.4	76.5	30.2	30.9
ADDRESSED TO OCCUPANT	5.7	6.9	36.4	36.6
DON'T KNOW/NO ANSWER	1.6	1.4	0.5	0.3
TOTAL MAIL RECEIVED BY HOUSEHOLDS	81.8	84.8	67.1	67.7

Source: USPS Household Diary Study 1988 & 1989

MEDIA CHOICE FOR RESPONDING TO MAIL ORDER OFFERS

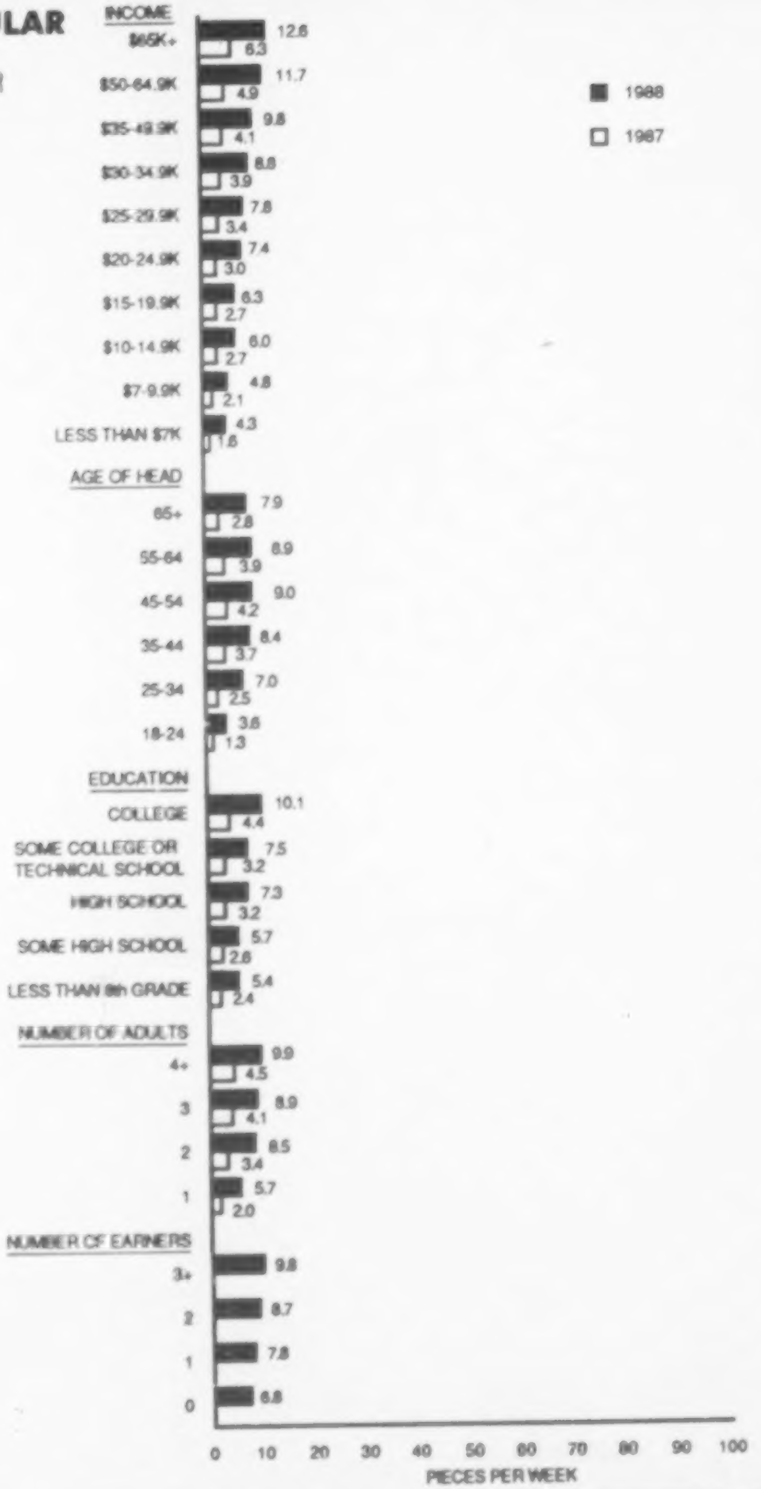
(Percentage of Orders in Postal Years 1987 & 1988)



Source: USPS Household Diary Study 1988, 1989

THIRD-CLASS BULK REGULAR DEMOGRAPHICS

PIECES PER HOUSEHOLD PER WEEK
CY 1977 AND PY 1988



Source: USPS Household Diary Study 1989

THIRD-CLASS BULK REGULAR MAIL RECEIVED BY HOUSEHOLD BY SHAPE 1987 & 1988

Shape	Percentage of Household Mail 1987	1988	Pieces Per Household Per Week 1987	1988
ENVELOPE				
LETTER SIZE	17.3	17.9	1.8	1.9
LARGER THAN LETTER SIZE	12.0	12.0	1.3	1.3
TOTAL ENVELOPE	29.3	29.9	3.1	3.2
DETACHED LABEL CARD	5.8	6.0	0.6	0.6
POSTCARD	1.8	1.7	0.2	0.2
CATALOG NOT IN ENVELOPE	14.2	13.6	1.5	1.4
FLYERS/CIRCULARS	20.1	22.1	2.1	2.4
MAGAZINE/NEWSLETTERS	1.7	1.5	0.2	0.2
OTHER/DON'T KNOW/NO ANSWER	1.0	0.4	0.1	0.0
TOTAL PIECES RECEIVED BY HOUSEHOLDS	73.8	75.3	7.8	8.0

Source: USPS Household Diary Study 1988 & 1989

AVERAGE NUMBER OF MAIL PIECES RECEIVED PER WEEK

	1972	1984	1987
Third Class	3.0	9.0	9.7
All Other	9.8	10.6	8.9
TOTAL	12.8	19.6	18.6

Source: USPS Household Diary Study, 1973, 1985, & 1988

THIRD-CLASS BULK REGULAR MAIL REACTION BY SELECTED INDUSTRY

POSTAL YEARS 1987 & 1988
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

Industry	Percent Pieces Read Immediately and Completely		Percent Pieces Put Aside for Later Reading		Percent Pieces Found Useful		Percent[1] Pieces Will Respond	
FINANCIAL	1987	1988	1987	1988	1987	1988	1987	1988
CREDIT CARD	39.5	37.8	6.1	3.7	29.3	28.3	8.3	8.4
BANK	38.8	33.9	4.0	4.1	31.1	25.3	8.1	4.5
SECURITIES BROKER	40.4	48.6	11.7	7.3	42.5	53.3	8.4	5.0
MONEY MARKET	45.6	49.9	5.4	3.3	53.7	39.5	1.9	0.0
INSURANCE	33.9	29.7	4.3	6.4	24.6	25.1	6.4	3.9
REAL ESTATE/MORTGAGE	29.3	26.9	3.1	1.7	21.3	13.3	2.7	2.0
TOTAL FINANCIAL	**37.2**	**34.4**	**5.3**	**4.8**	**29.5**	**27.5**	**7.3**	**5.2**
MERCHANTS								
SUPERMARKET	40.3	42.3	5.8	5.3	52.2	53.2	26.8	26.9
DEPARTMENT STORE	45.3	47.1	9.7	9.5	53.9	56.1	15.6	15.5
MAIL ORDER	42.9	40.2	12.0	13.3	41.9	38.9	15.3	13.8
OTHER STORE	40.1	41.2	8.6	7.6	43.4	45.3	14.4	11.9
PUBLISHER	43.1	40.5	7.5	6.5	35.3	35.2	17.1	15.4
LAND PROMOTION	26.3	36.0	4.1	4.1	7.7	6.4	4.1	3.8
RESTAURANT	49.9	49.6	3.4	4.6	51.9	41.8	19.5	21.2
CONSUMER PKGD GOODS	63.4	63.5	5.6	3.4	59.1	62.2	32.1	23.9
AUTO DEALER	37.3	40.7	3.2	2.9	32.6	27.3	8.7	5.6
SERVICE STATION	35.9	36.6	2.8	1.7	13.2	59.4	1.7	11.4
MALL	22.4	35.2	14.2	8.0	45.3	38.1	9.4	6.2
TOTAL MERCHANTS	**43.5**	**42.8**	**9.1**	**9.0**	**44.1**	**43.9**	**16.3**	**15.0**
SERVICES								
TELEPHONE	49.9	51.6	5.7	4.1	46.6	44.0	14.4	8.8
OTHER UTILITIES	49.9	54.3	7.2	8.6	56.4	46.7	11.6	11.2
MEDICAL	44.3	44.0	5.2	6.1	41.0	42.7	6.8	4.8
OTHER PROFESSIONAL	53.2	61.6	6.4	5.4	42.4	38.1	12.2	8.6
LEISURE SERVICE	41.6	45.4	8.1	3.9	36.9	33.9	7.8	11.4
CABLE TV	51.5	45.0	9.2	7.9	43.7	46.1	8.4	9.2
COMPUTER	40.5	41.9	7.2	10.7	39.8	54.2	12.5	7.8
TOTAL SERVICES	**44.1**	**45.3**	**6.5**	**5.4**	**38.0**	**39.2**	**9.6**	**8.5**
GOVERNMENT								
STATE & LOCAL GOVT.	**48.7**	**46.6**	**15.6**	**8.7**	**57.6**	**51.9**	**18.6**	**17.2**
SOCIAL CHARITABLE OR POLITICAL								
UNION/PROFESSIONAL	49.5	61.8	7.6	9.9	55.9	54.3	11.3	17.9
CHURCH	51.8	58.8	3.6	11.6	39.7	46.3	6.6	7.7
EDUCATIONAL	46.4	43.6	5.4	8.1	40.0	43.6	6.3	9.2
CHARITIES	53.1	35.9	0.6	12.7	29.7	29.6	8.6	4.8
POLITICAL	37.5	41.4	8.1	2.7	27.6	31.3	13.0	12.8
AARP	59.4	62.6	7.0	4.2	57.1	68.9	37.9	28.0
TOTAL SOCIAL CHARITABLE OR POLITICAL	**45.2**	**47.2**	**6.4**	**6.7**	**37.8**	**42.1**	**9.2**	**7.3**

1—Of pieces containing an advertisement or a request for funds.

Source: USPS Household Diary Study 1988 & 1989

• CATALOG

CONSUMER ATTITUDES

BUYING HABITS

COSTS

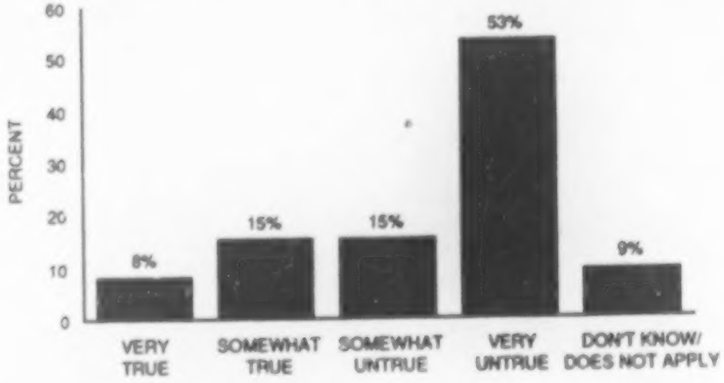
TRENDS

PROJECTIONS

CONSUMER ATTITUDES TOWARD CATALOG VS RETAIL PURCHASING

The Target Marketing Magazine, Gallup Survey—Are Catalogs Convenient was conducted by personal interview during Oct. 21–28, 1986 among 1,559 adults.

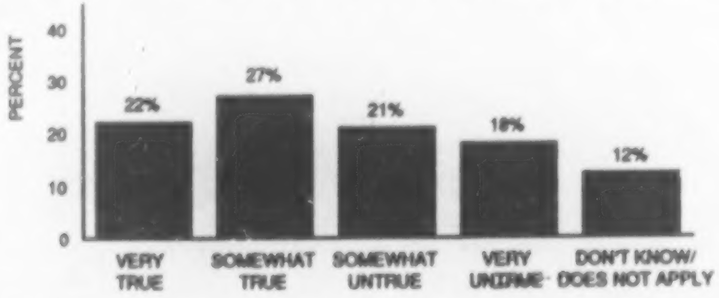
I will buy products from a catalog even if they are available at a nearby store.



Source: Target Marketing, Gallup Organization, 1986

CONSUMER ATTITUDES TOWARD MERCHANDISE DELIVERY TIME

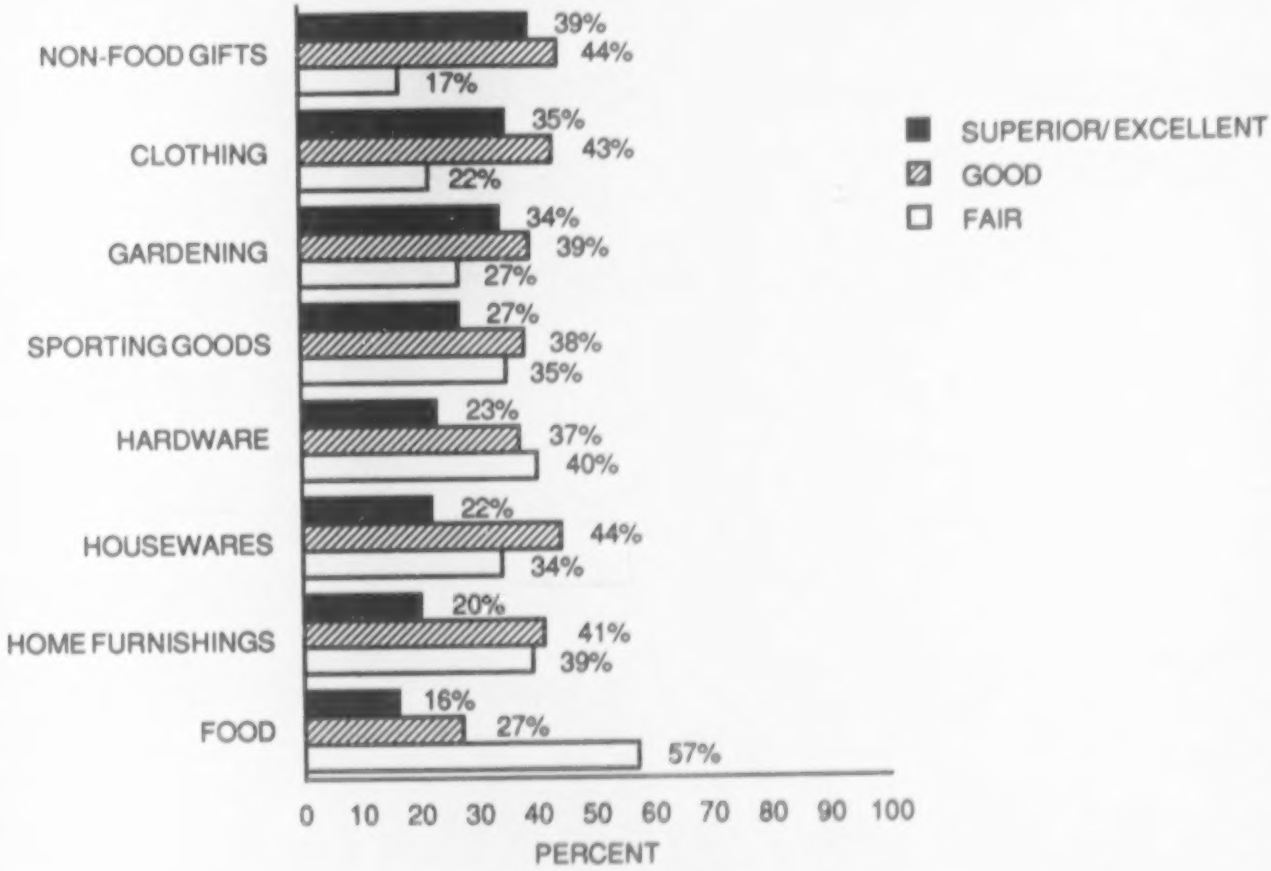
I find it difficult to order products through the mail because of the time it takes to get them.



Source: Target Marketing, Gallup Organization, 1986

OVERALL ATTITUDE TOWARD BUYING VIA CATALOG IN SPECIFIC PRODUCT CATEGORIES

The DMA Study of Behavior and Attitudes of Catalog Consumers was conducted by mail in April, 1988, among 5800 Catalog Buyers. A 46% response rate was achieved. One of the primary objectives of the study was to identify attitudes which determine why buyers and non-buyers behave as they do.

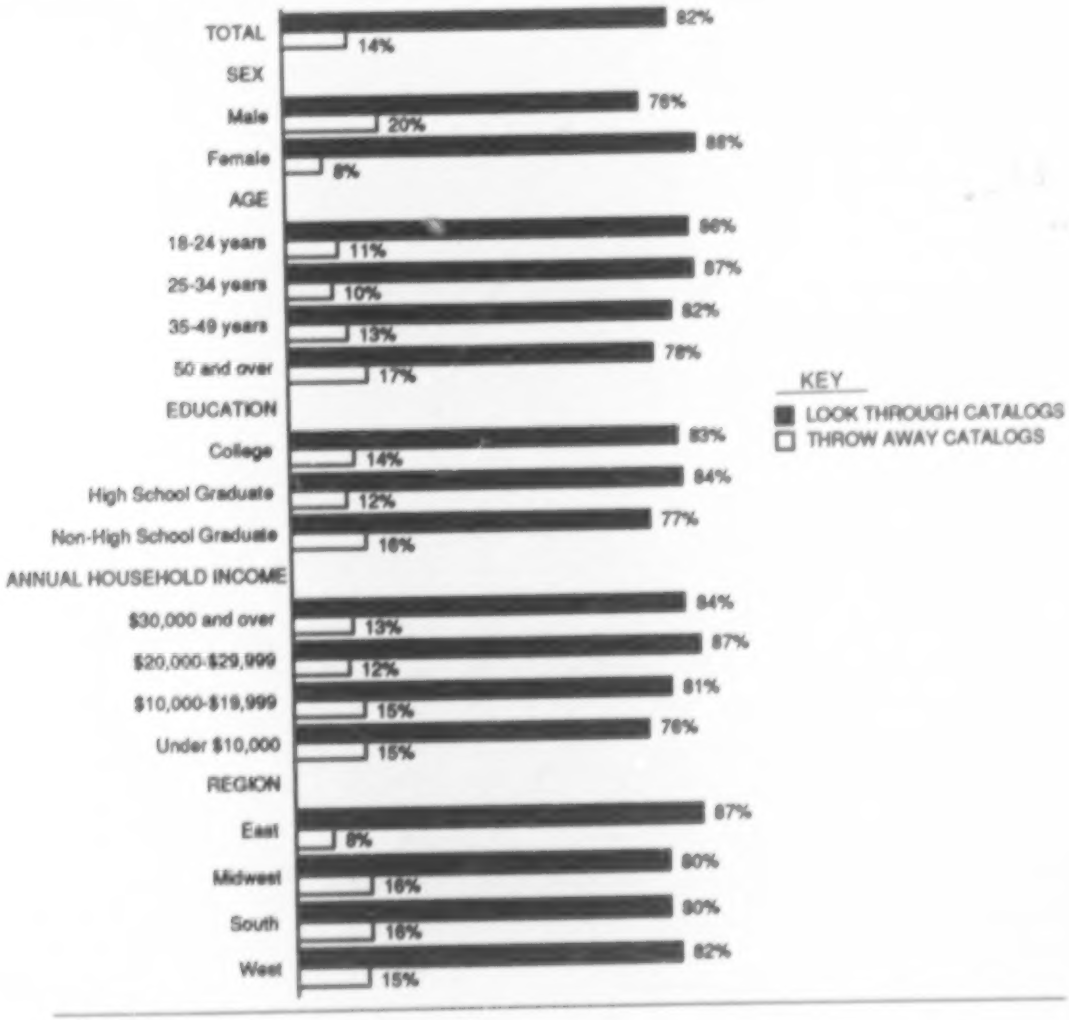


Source: Goldring & Company, Inc. Commissioned by the DMA and its Catalog Council, 1988

PERCENTAGE OF CONSUMERS WHO LOOK THROUGH CATALOGS RECEIVED

The Gallup Organization survey to determine the fate of catalogs was conducted by telephone during July among 1,005 adults.

The vast majority of adults, more than 8 in 10, usually look through the catalogs they receive.



Source: Target Marketing, Gallup Organization, November 1987

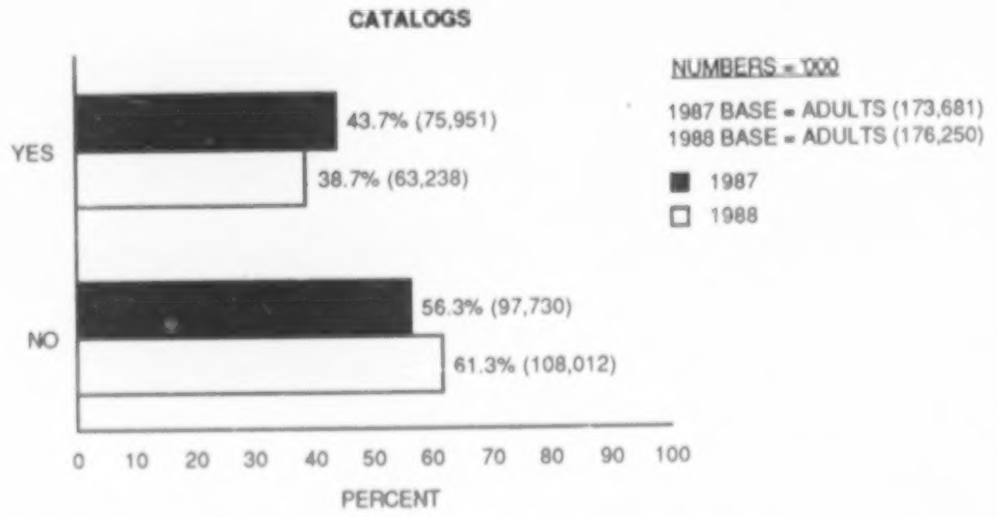
CATALOGS

Number of Purchases in Last 12 Months

	Total U.S.	Bought From Catalogs in Last 12 Months		1–2 Times		3–5 Times		6 or more Times	
	'000	'000	%	'000	%	'000	%	'000	%
Total Adults	176250	68238	38.7	26049	14.8	26593	15.1	15596	8.8
Males	84066	27300	32.5	10443	12.4	10960	13.0	5897	7.0
Females	92184	40938	44.4	15605	16.9	15633	17.0	9699	10.5
18–24	26535	8184	30.8	3735	14.1	3074	11.6	1375	5.2
25–34	42634	16579	38.9	6236	14.6	6215	14.6	4129	9.7
35–44	33688	15179	45.1	5280	15.7	5717	17.0	4182	12.4
45–54	23361	10141	43.4	3581	15.3	4383	18.8	2178	9.3
55–64	22021	9004	40.9	3203	14.5	3650	16.6	2151	9.8
65 or older	28011	9151	32.7	4015	14.3	3555	12.7	1582	5.6
Graduated College	31644	15317	48.4	5458	17.2	5822	18.4	4036	12.8
Attended College	32702	13660	41.8	5303	16.2	4829	14.8	3528	10.8
Graduated High School	69681	28053	40.3	10686	15.3	11412	16.4	5956	8.5
Did Not Graduate High School	42223	11208	26.5	4602	10.9	4531	10.7	2076	4.9
Professional/Manager	28104	13782	49.0	4777	17.0	5354	19.1	3652	13.0
Tech/Clerical/Sales	35802	16173	45.2	6312	17.6	6061	16.9	3801	10.6
Precision Craft	14098	4712	33.4	1787	12.7	2008	14.2	917	6.5
Other Employed	33730	11163	33.1	3986	11.8	4628	13.7	2548	7.6
Single	37865	11509	30.4	4750	12.5	4498	11.9	2262	6.0
Married	106963	46039	43.0	17163	16.0	17823	16.7	11053	10.3
Divorced/Separated/Widowed	31422	10690	34.0	4135	13.2	4273	13.6	2282	7.3
Parents	67328	28074	41.7	9962	14.8	10706	15.9	7406	11.0
Northeast	39212	15664	39.9	5007	12.8	5832	14.9	4824	12.3
East Central	25018	9930	39.7	3670	14.7	3868	15.5	2392	9.6
West Central	29350	13173	44.9	4947	16.9	5272	18.0	2955	10.1
South	52142	18853	36.2	8003	15.3	7316	14.0	3535	6.8
Pacific	30528	10618	34.8	4422	14.5	4305	14.1	1890	6.2
Metro Central City	53736	17806	33.1	7069	13.2	6939	12.9	3798	7.1
Metro Suburban	81523	33588	41.2	13074	16.0	13129	16.1	7385	9.1
Non Metro	40991	16843	41.1	5906	14.4	6525	15.9	4413	10.8
Household Income									
$60,000 or more	20289	9932	49.0	3240	16.0	4068	20.1	2624	12.9
$50,000 or more	31340	14834	47.3	4988	15.9	6068	19.4	3778	12.1
$40,000 or more	53108	24843	46.8	8322	15.7	10075	19.0	6447	12.1
$30,000 or more	82233	36900	44.9	12739	15.5	14706	17.9	9455	11.5
$30,000–$39,999	29126	12057	41.4	4417	15.2	4631	15.9	3009	10.3
$20,000–$29,999	34891	14316	41.0	5861	16.8	5416	15.5	3039	8.7
$10,000–$19,999	37097	12292	33.1	5198	14.0	4695	12.7	2399	6.5
Under $10,000	22029	4731	21.5	2251	10.2	1777	8.1	702	3.2
Household Size									
1 Person	21267	6512	30.6	2855	13.4	2290	10.8	1368	6.4
2 People	55771	21673	38.9	8682	15.6	8681	15.6	4310	7.7
3 or 4 People	71810	30128	42.0	10992	15.3	11483	16.0	7654	10.7
5 or more people	27402	9924	36.2	3520	12.8	4140	15.1	2265	8.3
No child in household	104468	38691	37.0	15472	14.8	15272	14.6	7948	7.6
Child(ren) under 2 years	14095	4907	34.8	1819	12.9	1940	13.8	1148	8.1
2–5 years	25865	9875	38.2	3764	14.6	3692	14.3	2420	9.4
6–11 years	33171	13729	41.4	4474	13.5	5309	16.0	3946	11.9
12–17 years	33224	14211	42.8	4948	14.9	5540	16.7	3724	11.2
Residence owned	123262	53358	43.3	19963	16.2	20735	16.8	12660	10.3
Value: $60,000 or more	70282	31922	45.4	11529	16.4	12459	17.7	7934	11.3
Value: Under $60,000	52980	21436	40.5	8434	15.9	8276	15.6	4726	8.9

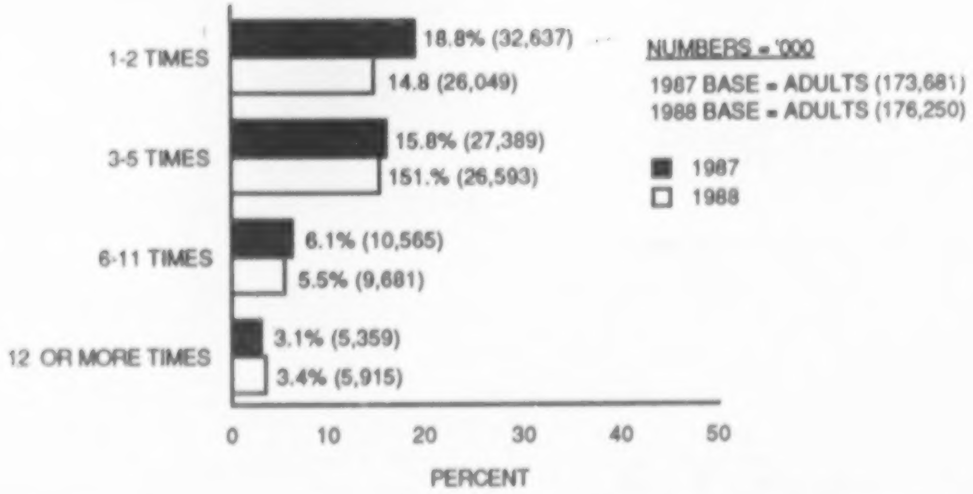
Source: Simmons Market Research Bureau, 1988 Study of Media & Markets, 1988

HAVE YOU BOUGHT ANY MERCHANDISE FROM A CATALOG IN THE LAST 12 MONTHS?



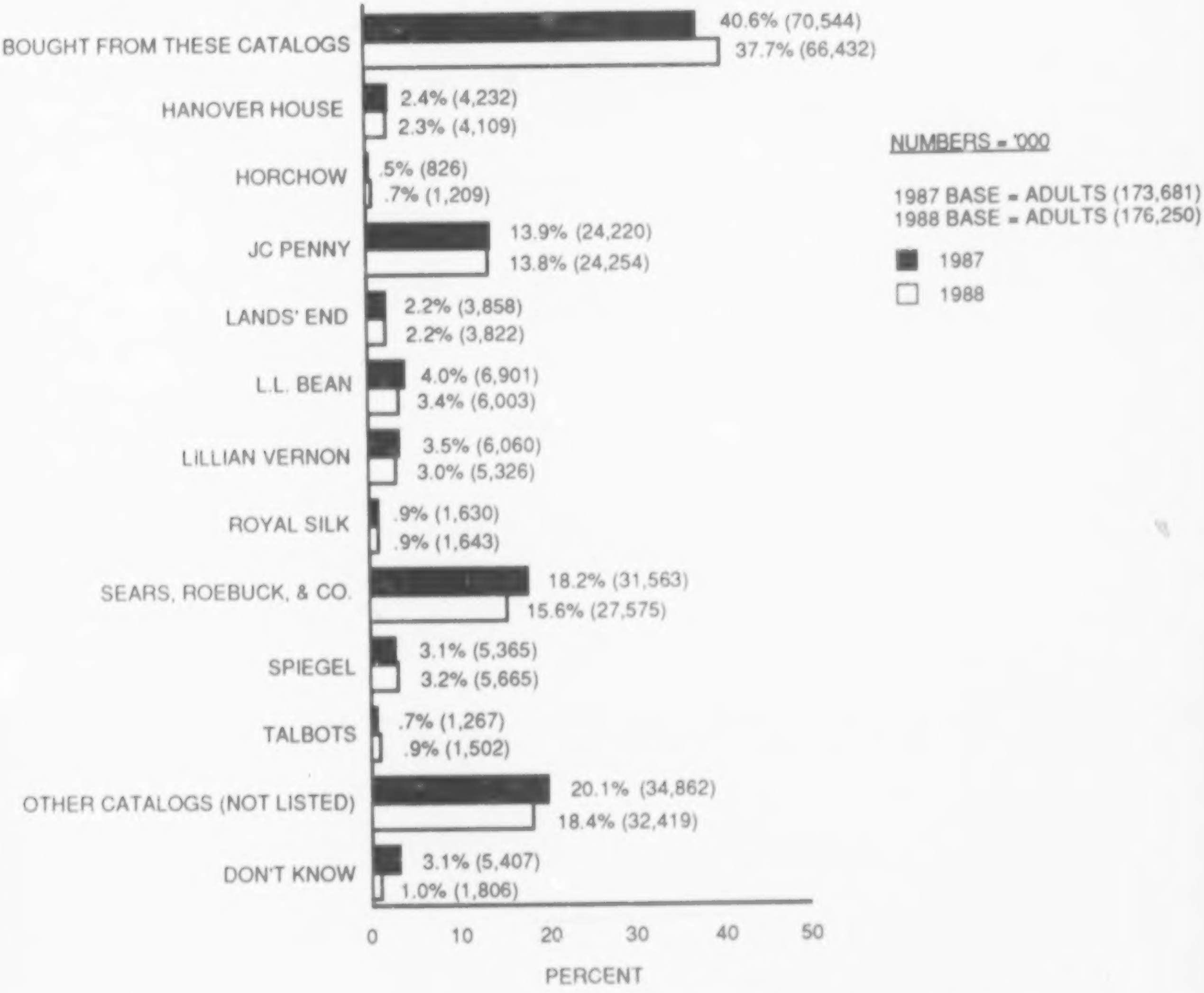
Source: Simmons Market Research Bureau, Inc., 1987 & 1988.

ABOUT HOW MANY TIMES HAVE YOU BOUGHT MERCHANDISE FROM A CATALOG IN THE LAST 12 MONTHS?



Source: Simmons Market Research Bureau, Inc., 1987 & 1988.

FROM WHICH OF THESE CATALOGS HAVE YOU BOUGHT MERCHANDISE IN THE LAST 12 MONTHS?



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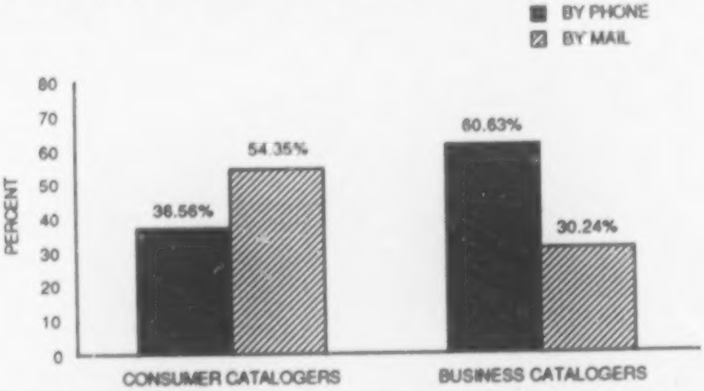
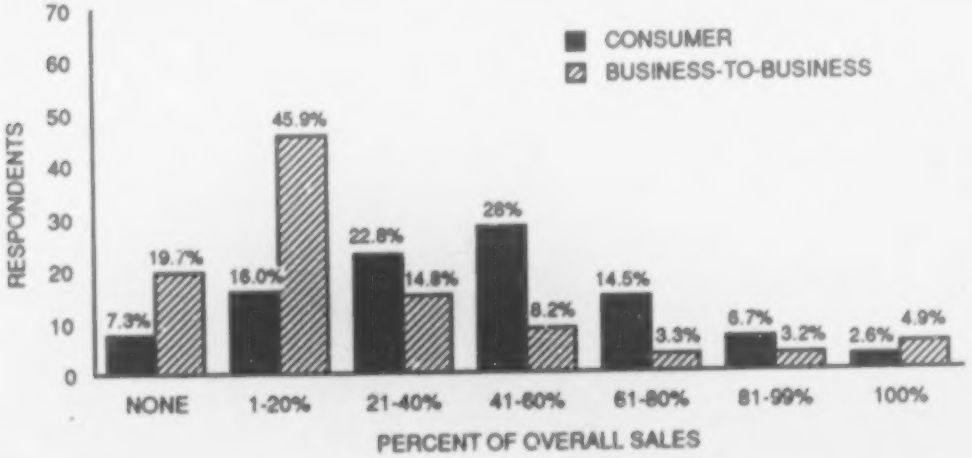
PERCENTAGE OF ORDERS PLACED BY PHONE OR MAIL



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

PERCENTAGE OF ORDERS PAID BY CHECK

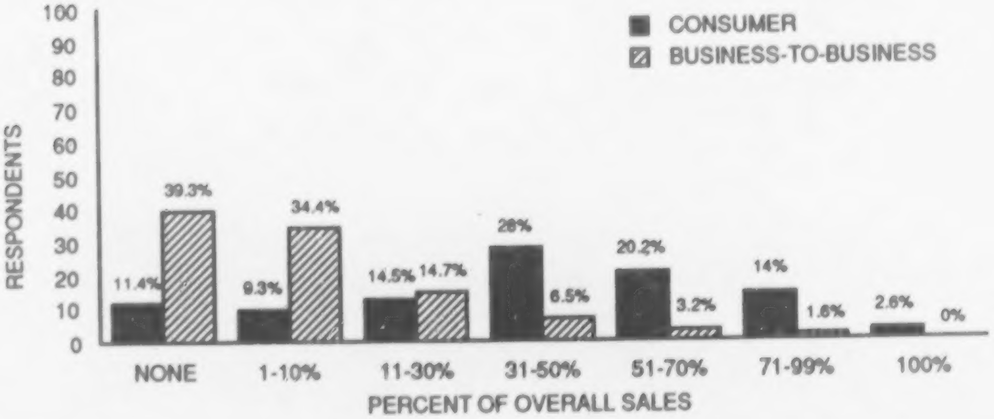
Consumer catalogers have the highest percentage of their sales paid by check, at 43.38% using mean figures. Business catalogers average 21.49% of sales by check.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

PERCENTAGE OF ORDERS PAID BY CREDIT CARD

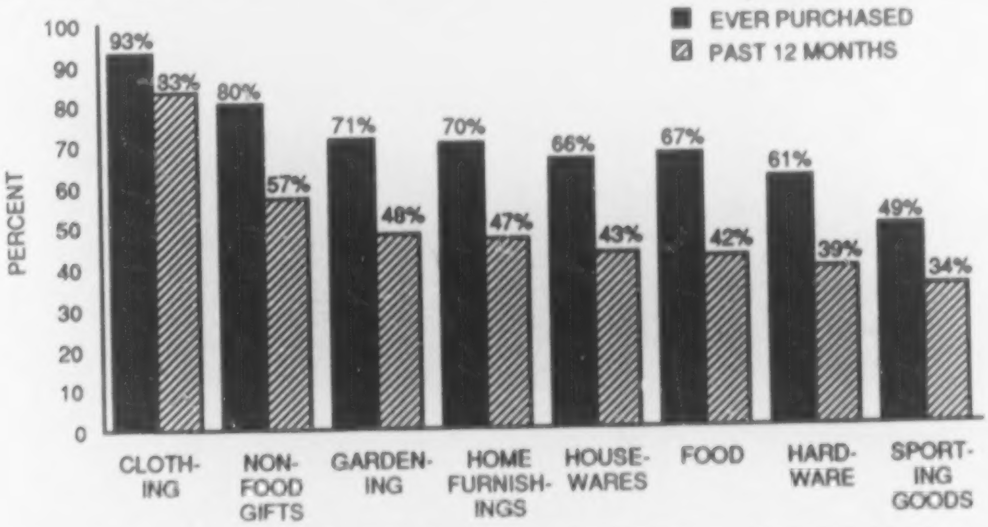
Consumer catalogers take the most plastic. For consumer catalogers, the percentage of customers who pay by credit card, on the average, is 40.80%. In contrast, however, are business catalogers where credit card purchases comprise 10.38% of overall sales.



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

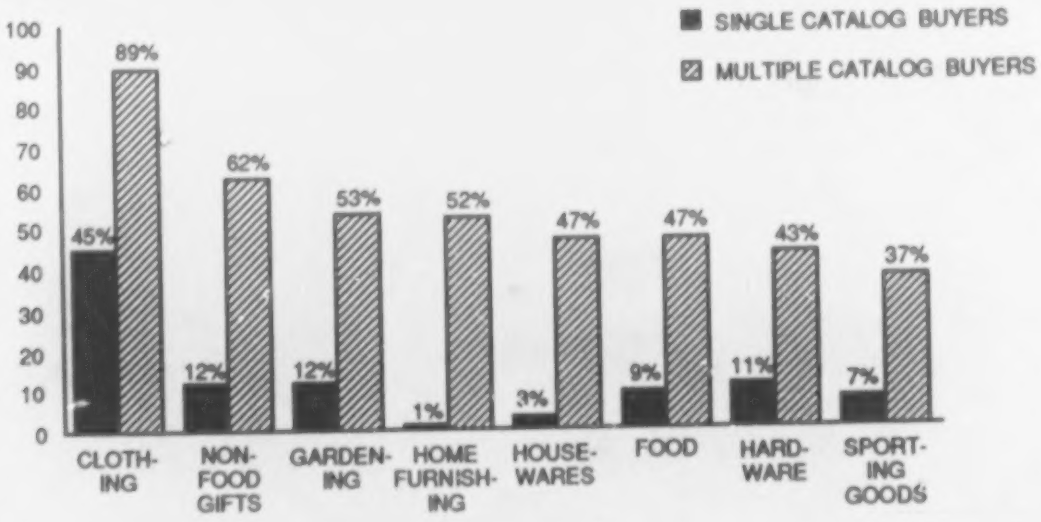
TYPES OF PRODUCTS PURCHASED THROUGH CATALOGS

The DMA Study of Behavior and Attitudes of Catalog Consumers was conducted by mail in April, 1988, among 5800 Catalog Buyers. A 46% response rate was achieved. One of the primary objectives of the study was to identify attitudes which determine why buyers and non-buyers behave as they do.



Source: Goldring & Company, Inc. Commissioned by the DMA and its Catalog Council, 1988.

TYPES OF PRODUCTS PURCHASED THROUGH CATALOGS/SINGLE VS. MULTIPLE BUYERS



Source: Goldring & Company, Inc. Commissioned by the DMA and its Catalog Council, 1988.

CATALOG COST RANGES

(60# COATED STOCK)

FINISHED SIZE	LEAVES/ PAGES	COLORS/ SIDES	COST PER THOUSAND		
			50M	100M	300M
8-½" × 11"	16/32	2/2	206.50	179.55	160.75
8-½" × 11"	16/32	4/2	287.05	233.35	197.70
8-½" × 11"	24/48	2/2	303.00	267.40	243.25
8-½" × 11"	24/48	4/2	395.50	328.60	283.10
8-½" × 11"	32/64	2/2	392.80	344.55	309.80
8-½" × 11"	32/64	4/2	497.25	417.25	362.85
8-½" × 11"	48/96	2/2	561.60	491.80	447.90
8-½" × 11"	48/96	4/2	684.86	573.50	503.70
5-½" × 8-½"	16/32	2/2	134.20	116.70	104.80
5-½" × 8-½"	16/32	4/2	185.85	152.15	127.90
5-½" × 8-½"	24/48	2/2	197.55	174.87	158.42
5-½" × 8-½"	24/48	4/2	255.25	213.35	184.20
5-½" × 8-½"	32/64	2/2	285.95	253.75	229.55
5-½" × 8-½"	32/64	4/2	372.50	308.50	264.65

NOTE: All above are self-cover, saddle-stiched; prices do not include bound-in order cards/forms/ envelopes.

Source: Sheil Alpert, Alpert O'Neil Tigre & Co., June 1987

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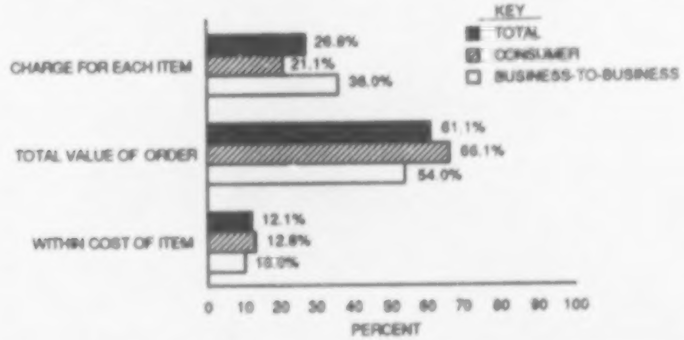
HOW DO YOU CHARGE FOR SHIPPING AND HANDLING?

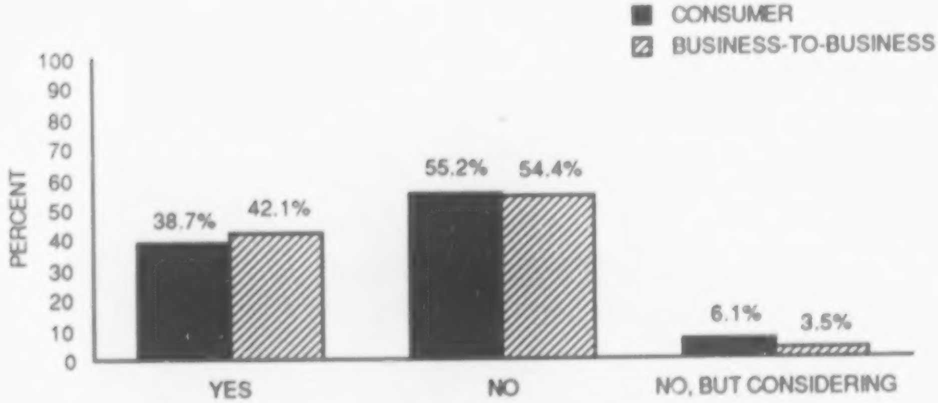
Over 60% of catalogers say they have considered but rejected the idea of including shipping and handling in the price of an item.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

DO YOU PAY POSTAGE COSTS FOR RETURNED MERCHANDISE?

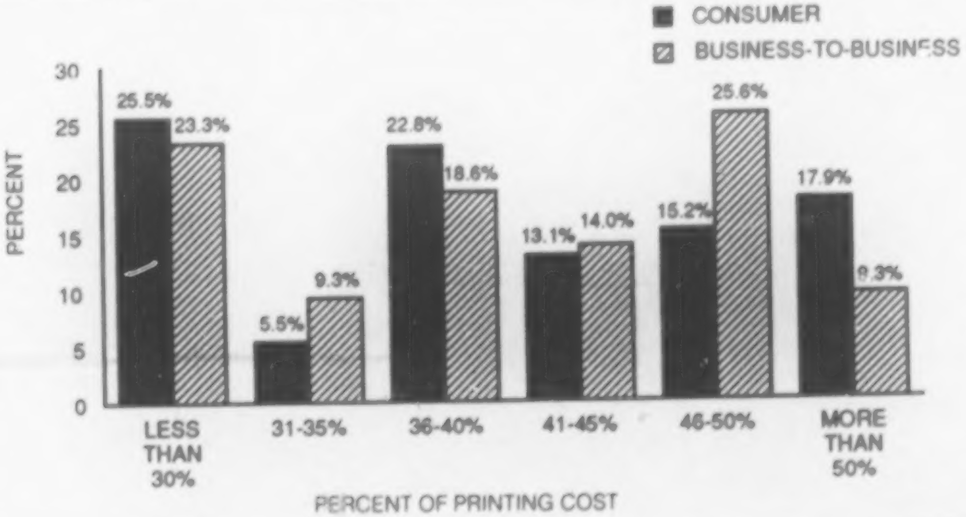
Most catalogers do not pay postage for returned merchandise. Consumer catalogers report that 38.7% of them do, and another 6.1% are considering adopting the policy.



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

WHAT PERCENT OF YOUR PRINTING COST IS FOR PAPER?

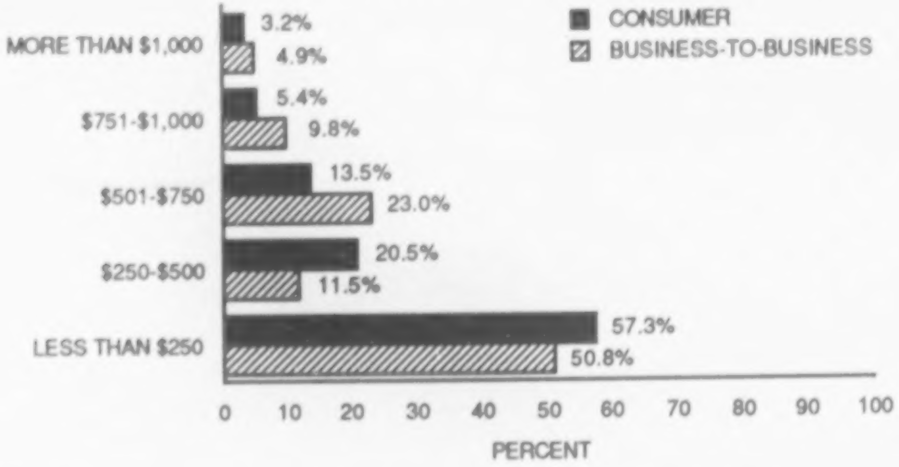
More than three quarters of all respondents claim paper accounts for less than half of their total printing bills. However, according to the survey, most catalogers give their printers the task of buying paper for them. This factor could mean those catalogers don't keep close track of paper costs.



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

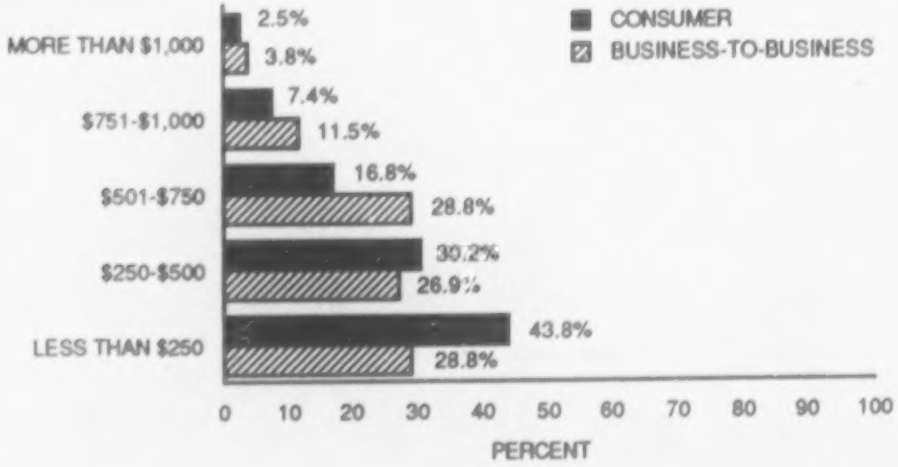
HOW MUCH DO YOU SPEND PER PAGE ON ART WORK, TYPE, AND MECHANICALS

(excluding illustration/photography, color separations, and models)?



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

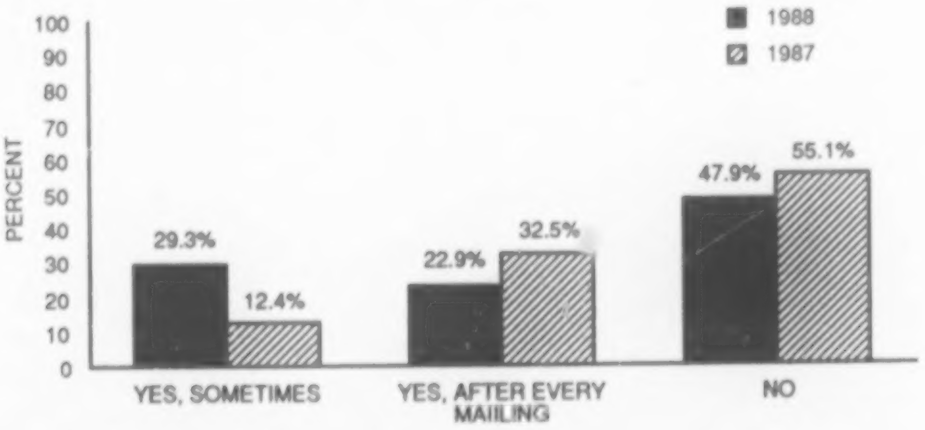
ON AVERAGE, HOW MUCH DO YOU SPEND PER PAGE ON COLOR SEPARATIONS?



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

DO YOU CALCULATE PROFIT PER SQUARE INCH FOR ITEMS IN YOUR CATALOG?

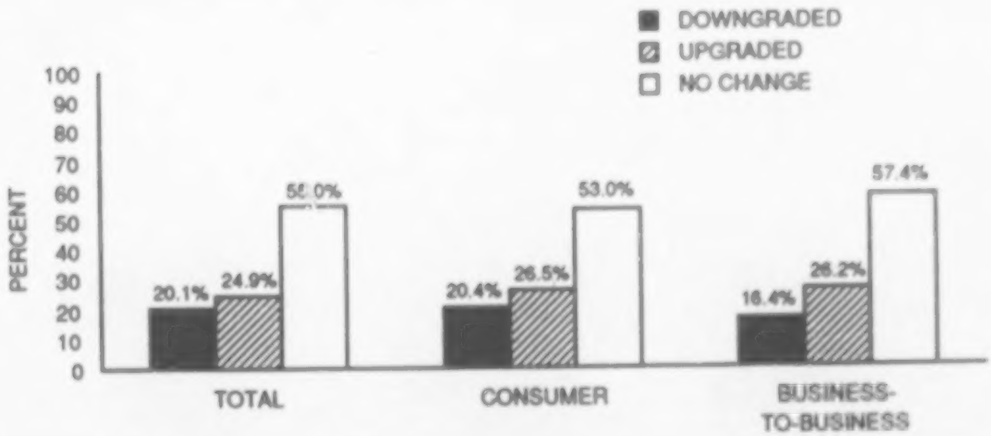
Small rise in number of companies that calculate profit per square inch (PSI) for catalog items—up 7 percentage points from 44.9% in 1987 to 52.2% this year.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

HAVE YOU UPGRADED OR DOWNGRADED PAPER QUALITY DURING THE LAST YEAR OR TWO?

In the last year or two, 20.1% of all catalogers indicate that they have upgraded paper, although the majority—55%—say they made no change.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

1987 CATALOG SALARIES

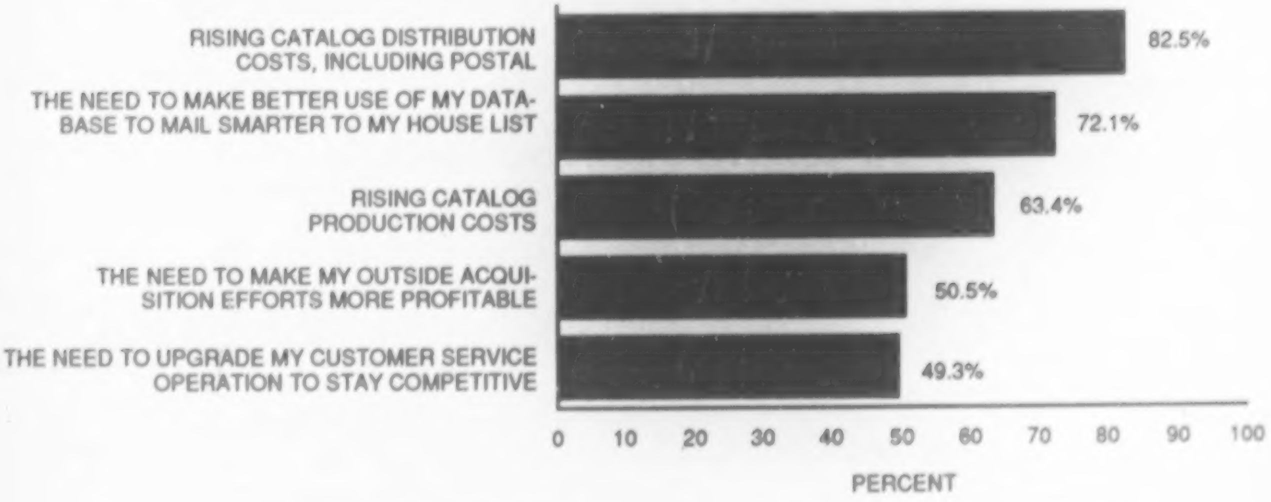
The following catalog salaries were compiled by Wm. M. Mercer-Meidinger-Hansen, Inc. in conjunction with the DMA. The Catalog Industry Group Compensation Survey Results contain data submitted by 42 companies representing 2,662 individual salary rates. The primary objective of the survey is to provide assistance in salary administration requirements and covers every possible job which may exist in the catalog industry.

	Average Salary Range (in thousands)			**Median Salary Range (in thousands)**			**% Eligible for Bonus**	**Average Bonus as % of Salary**
Title	**Minimum**	**Midpoint**	**Maximum**	**Minimum**	**Midpoint**	**Maximum**		
President	116.0	144.1	172.2	70.0	85.1	102.1	90.5	48.7
Executive Vice President, Marketing	93.6	115.5	137.4	80.9	101.1	121.3	81.8	32.7
Vice President, Marketing	56.7	70.9	85.1	53.0	65.7	79.3	87.5	24.2
Director, Telephone Marketing	44.9	56.3	67.7	41.7	53.8	65.9	100.0	16.6
Supervisor, Telephone Marketing	22.9	28.9	34.9	23.7	29.6	35.4	40.9	10.3
Telephone Marketing Representative (Inbound)	13.1	15.7	18.2	13.0	16.1	19.2	31.8	2.4
Director, Mail Order Sales	54.2	67.2	80.2	52.0	65.0	78.0	66.7	16.7
Manager, Mail Order Sales	33.9	43.9	53.8	36.9	46.1	55.3	80.0	14.8
Director, Merchandising	52.7	68.9	85.1	51.6	69.3	83.6	93.8	28.1
Merchandising Specialist/Buyer	29.3	37.1	44.9	27.6	36.0	44.4	58.6	13.0
Director, Promotion	42.6	54.2	65.8	38.4	50.6	62.7	88.9	17.6
Director, Art	30.9	39.0	47.1	30.4	37.0	47.8	45.0	9.7
Artist	22.3	28.6	34.9	21.9	28.3	33.8	33.3	5.0
Director, Copy	30.6	38.3	46.0	30.1	39.1	47.4	54.5	8.7
Copywriter	21.2	26.9	32.6	21.1	25.9	31.5	34.8	4.8
Manager, Production	32.0	41.0	50.0	31.3	40.9	49.4	59.1	15.0
Production Assistant	20.1	25.5	31.0	20.6	25.8	30.9	40.0	3.4
Director, List Marketing	32.4	41.0	49.6	30.7	36.8	45.5	63.2	12.5
Director, Market & Promotion Analysis	34.7	43.0	51.2	35.6	44.0	52.3	45.5	15.5
Marketing & Promotion Research Analyst	26.4	32.9	39.4	26.6	33.3	39.9	27.3	
Executive Vice President, Operations	91.0	118.9	146.8	80.1	103.9	127.7	100.0	37.8
Vice President, Operations	52.9	68.5	84.1	31.5	39.3	47.2	76.9	26.0
Director, Customer Service	39.8	49.6	59.5	39.3	49.1	58.9	80.0	17.3
Manager, Customer Service	30.4	38.2	46.1	29.4	37.1	45.3	55.6	12.6
Supervisor, Customer Service	20.2	25.2	30.2	20.2	24.9	30.0	26.7	5.6
Customer Service Representative	13.5	16.3	19.1	13.5	15.6	18.4	23.5	2.5
Director, Purchasing	41.0	51.8	62.6	43.2	53.9	64.7	64.3	12.7
Purchasing Agent	22.4	26.0	30.8	21.1	26.0	30.8	40.0	5.5
Director, Order Processing	33.9	43.3	52.9	36.1	48.1	58.7	88.9	19.0
Manager, Order Processing	29.8	37.7	45.6	30.1	38.1	46.2	68.4	14.4
Supervisor, Order Processing	18.8	23.3	27.8	18.0	22.4	26.8	45.5	8.2
Coder	11.7	14.0	16.4	11.0	13.5	16.2	25.0	3.1
Director, Information Resources	53.4	68.8	84.2	49.2	63.5	77.7	94.7	23.3
Manager, Information Resources	37.6	47.1	56.7	38.8	47.6	57.2	58.3	14.8
Manager, Computer Operations	34.6	43.2	51.8	36.0	45.6	54.7	52.4	15.1
Supervisor, Data Processing	24.7	31.0	37.3	25.0	30.9	36.8	35.7	4.5
Operator	15.3	18.9	22.4	15.0	18.2	22.0	26.7	4.8
Systems Analyst	26.5	34.2	41.8	27.7	34.7	41.6	29.4	3.7
Senior Programmer/Analyst	27.8	34.5	41.1	28.4	35.9	41.9	28.6	6.7
Programmer	21.3	26.6	31.8	22.0	27.5	33.7	30.0	7.3
Director, Fulfillment	44.3	56.1	67.9	43.8	53.6	63.3	90.9	17.8
Manager, Fulfillment	26.3	33.2	40.0	28.2	35.3	42.3	58.8	5.2
Packer	12.0	14.2	16.3	11.5	14.3	16.2	28.0	2.6

Source: Wm. M. Mercer—Meidinger—Hansen, Inc./DMA CATALOG Council 1987

TOP FIVE ISSUES MOST CONCERNING CATALOGERS

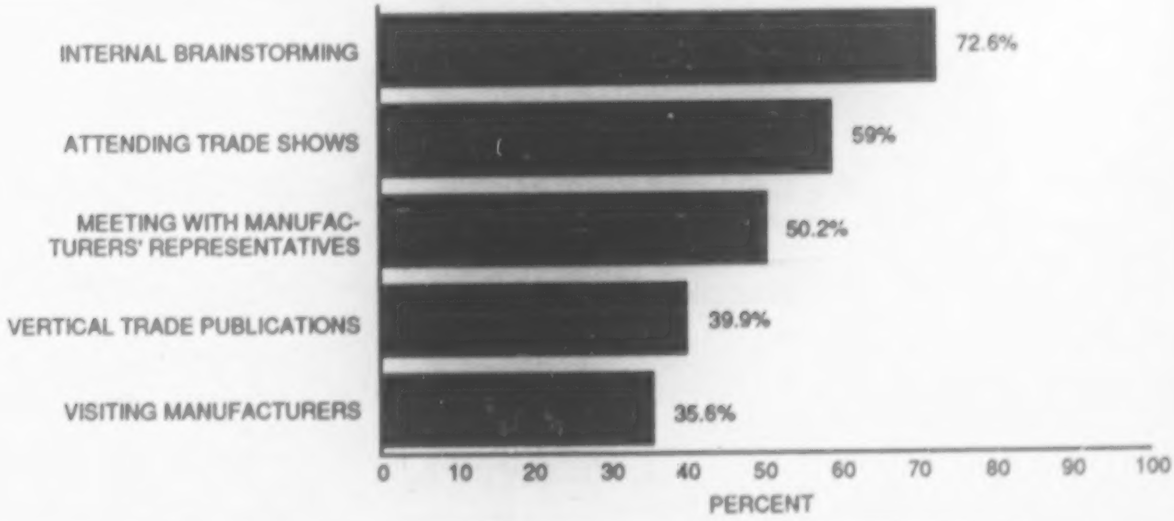
Catalogers were asked to rate 11 issues using a five point scale, where 1 represents a critically important issue and 5 represents a relatively minor one. The above percentages represent the total number of respondents rating each issue 1 or 2.



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

TOP FIVE SOURCES OF MERCHANDISE

Catalogers were asked to rate eight sources of merchandise using a five point scale, where 1 represents a very important merchandise source and 5 represents a very poor one. The above percentages represent the total number of respondents rating each source 1 or 2.



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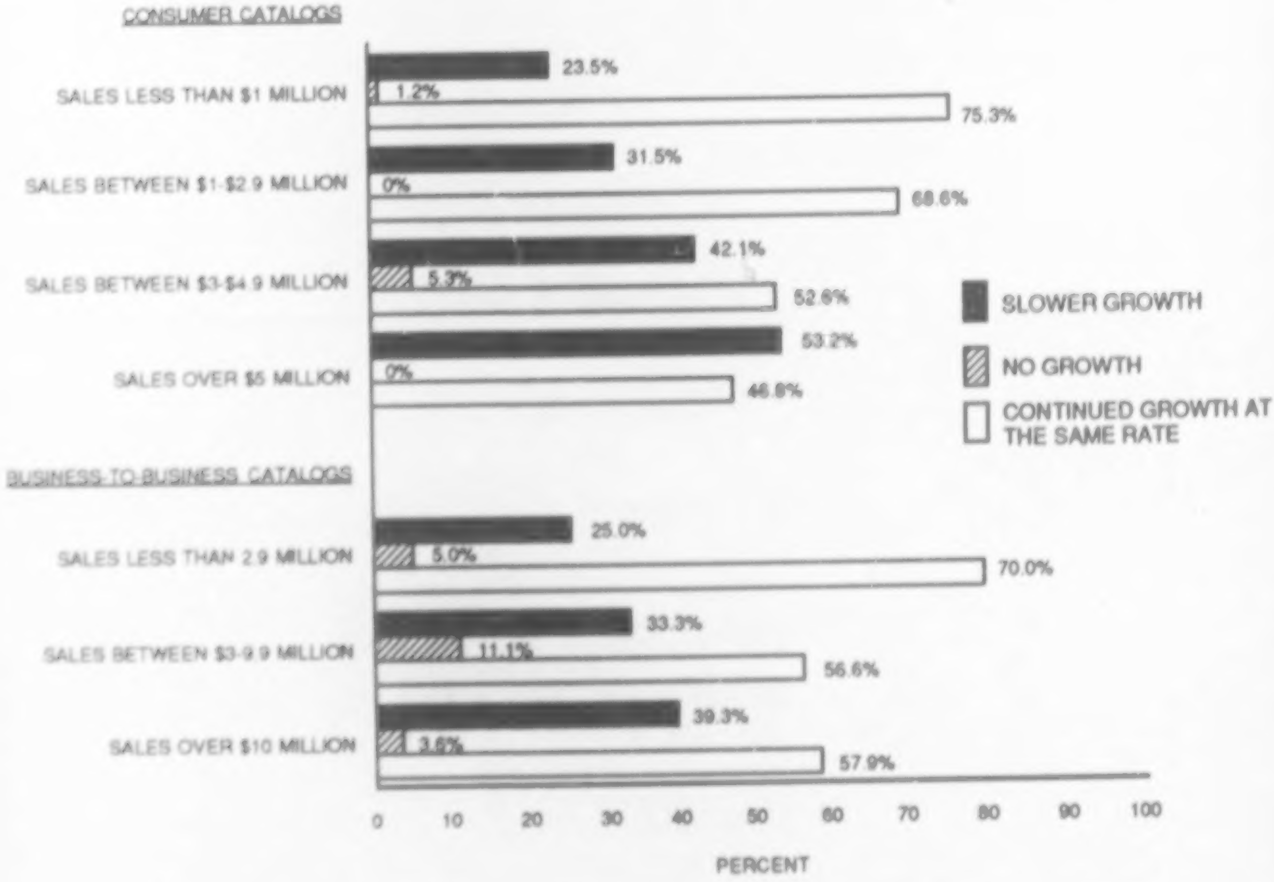
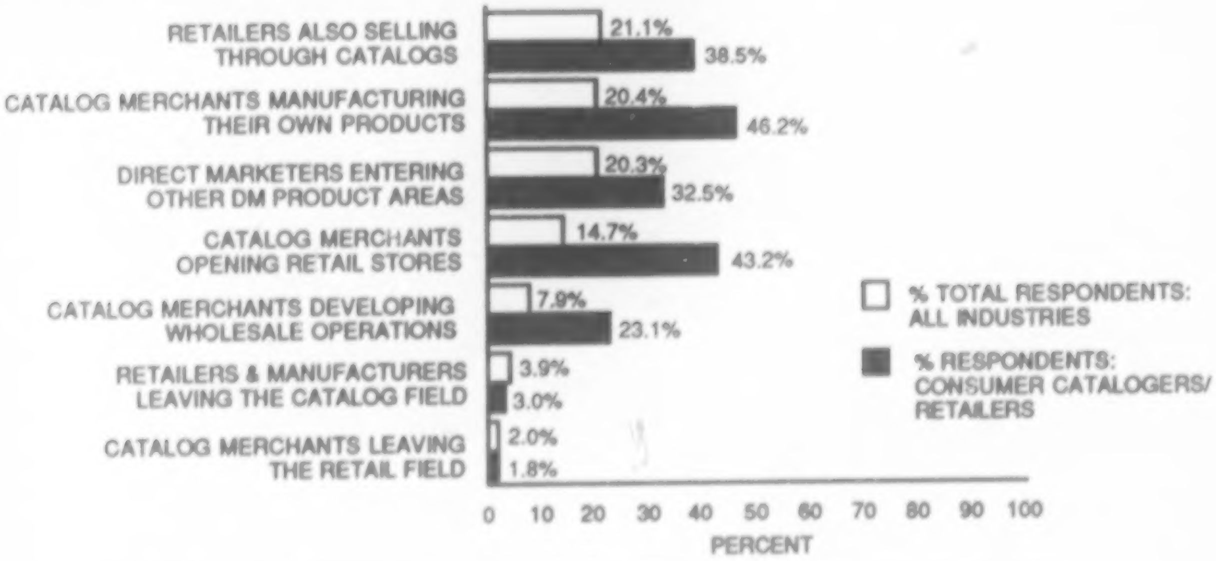
WHAT GROWTH DO YOU PROJECT FOR YOUR COMPANY?

Small catalogers expect continued growth; large companies anticipate a slowdown.



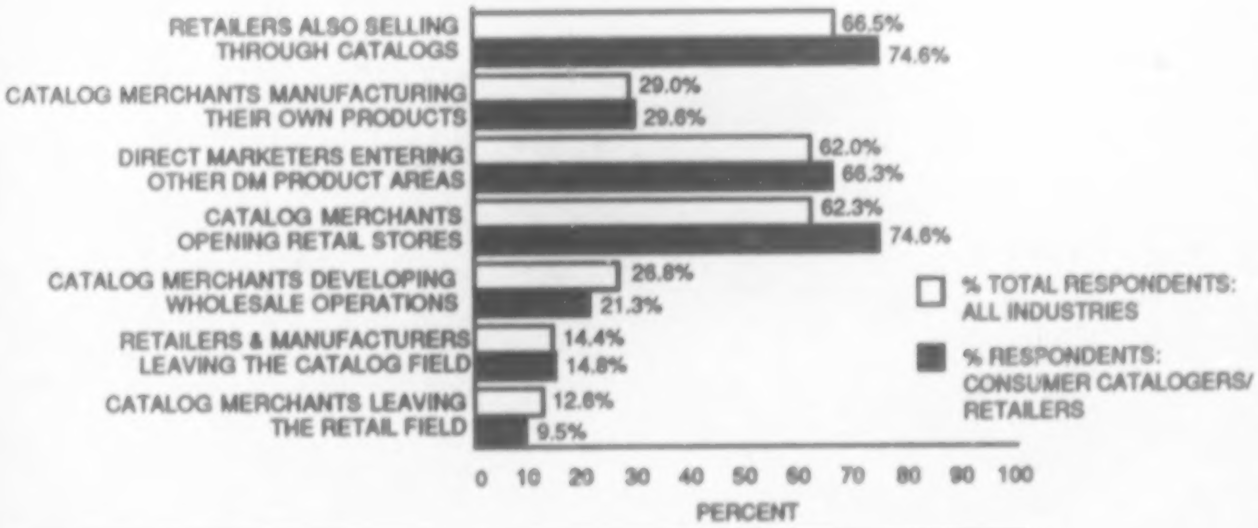
Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

CATALOG DIVERSIFICATION: CURRENT TRENDS



Source: DMA Research Department & Marketing Council, 1986

CATALOG DIVERSIFICATION: FUTURE TRENDS



Source: DMA Research Department & Marketing Council, 1986

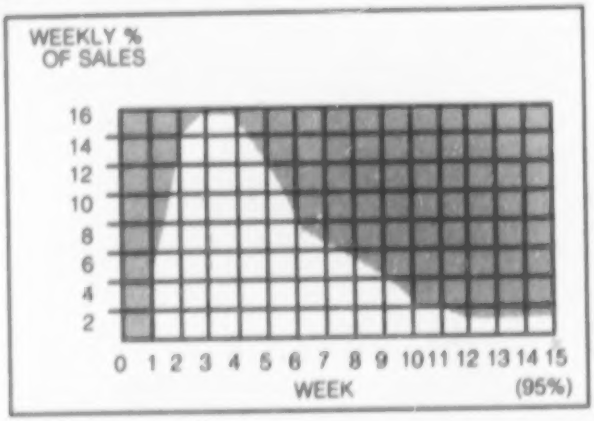
LEADING CATALOG MARKETERS

The list below of leading catalog marketers was compiled from *Standard Rate & Data Service* of September 14, 1987. Catalogers are ranked according to numbers of 12-month buyers. (Jay Walker, president, Catalog Media Corporation, assembled the information.)

	Catalog name	Percentage of male buyers	Average order size	12-month buyers (in thousands)
1.	Spiegel	36%	$106	3,300
2.	Fingerhut	20	50	2,800
3.	Lillian Vernon	25	38	2,750
4.	L.L. Bean	50	60	2,600
5.	Avon Fashions	N/A	42	2,554
6.	Spencer Gifts	15	23	2,483
7.	L'Eggs	N/A	18	1,800
8.	Warshawsky/Whitney Company	90	35	1,500
9.	Current	1	50	1,400
10.	Lane Bryant	N/A	50	1,400
11.	Cabela's	92	60	1,183
12.	Figi's	32	50	1,059
13.	Swiss Colony	20	60	1,040
14.	Bass Pro Shops	90	50	1,000
15.	Lands' End	44	65	1,000
16.	Old Pueblo Traders	N/A	58	960
17.	Breck's	25	45	950
18.	Jackson & Perkins	39	45	888
19.	Hanover House	35	20	881
20.	Eddie Bauer	40	70	852
21.	Williams-Sonoma	15	45	844
22.	Popular Club Plan	2	80	800
23.	Talbots	10	100	790
24.	DAK	95	165	740
25.	Roaman's	N/A	50	700
26.	Gander Mountain	90	58	695
27.	J. Crew	25	75	635
28.	Harry & David	39	65	612
29.	Burpee	50	40	600
30.	Ambassador	N/A	33	572
31.	Park Seed	25	14	560
32.	Chadwick's of Boston	N/A	70	540
33.	Bloomingdale's By Mail Ltd.	12	85	524
34.	Barnes & Noble	70	35	520
35.	COMB	84	100	518
36.	Victoria's Secret	22	60	511
37.	Abbey Press	5	26	509
38.	Royal Silk	2	65	495
39.	The Tog Shop	3	80	480
40.	Bedford Fair	1	55	475
41.	Horchow Collection	30	80	429
42.	Spring Hill	25	40	425
43.	Taylor Gifts	15	44	418
44.	Neiman-Marcus	40	95	409
45.	Publisher's Central Bureau	40	30	400
46.	Tall Collection	N/A	50	400
47.	U.S. General	90	40	400
48.	Austad's	83	65	395
49.	Orvis	42	78	387
50.	Joan Cook	12	50	371
51.	The Sharper Image	82	150	370
52.	Frederick's of Hollywood	15	55	360
53.	Norm Thompson	45	75	350
54.	The Paragon	10	50	345
55.	Childcraft	15	53	340
56.	Comfortably Yours	11	42	335
57.	Vermont Country Store	20	39	335
58.	General Nutrition	32	22	333
59.	Night 'n Day Intimates	30	40	319
60.	Mason Shoe	70	48	315
61.	Lerner Sport	N/A	50	300
62.	Wear-Guard	63	50	300
63.	The Wisconsin Cheeseman	38	43	300
64.	Potpourri	10	51	294
65.	Bright's Creek	N/A	45	290
66.	Leichtung	85	60	285
67.	Banana Republic	60	75	276
68.	The Company Store	15	110	276
69.	Toys to Grow On	10	40	264
70.	Hold Everything	25	50	258
71.	Johnny Appleseed's	10	80	255
72.	REI	75	60	252
73.	Henry Field	75	22	251
74.	DRI	95	60	247
75.	Hammacher Schlemmer	40	120	243
76.	Clifford & Wills	N/A	60	242
77.	Willow Ridge	1	65	233
78.	Chelsea Collection	N/A	65	232
79.	Carroll Reed	15	95	226
80.	Trifles	30	70	226
81.	International Beauty Collection	N/A	20	223
82.	Charles Keath	10	110	220
83.	Hill Brothers	N/A	49	210
84.	James River Traders	55	67	210
85.	Wigs by Paula	N/A	45	210
86.	International Male	90	80	202
87.	Career Guild	N/A	85	200
88.	Forty-Seventh Street Photo	98	250	200
89.	Damart	55	60	197
90.	Brookstone	45	35	181
91.	Marshall Field's	20	78	181
92.	Fashion Galaxy	1	65	179
93.	Honeybee	13	138	178
94.	Omaha Steaks	65	75	177
95.	Brownstone Studio	5	127	173
96.	Sporting Edge	95	95	170
97.	Nature Company	32	52	162
98.	White Flower Farms	41	70	161
99.	Crate & Barrel	10	50	154
100.	Goldberg's Marine	80	100	150

Source: Catalog Age, Standard Rate and Data Service, January 1988

TYPICAL CATALOG RESPONSE CURVE



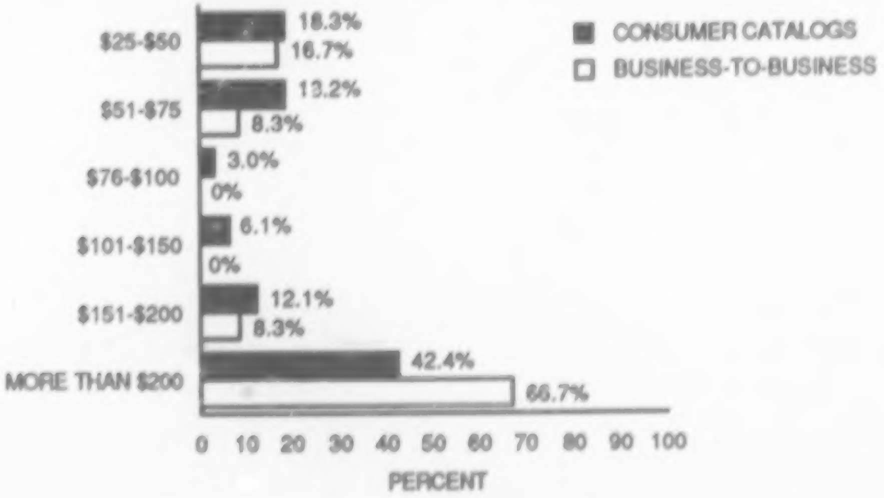
Developing response curves, which indicate the percent of sales for each week of the catalog response period, can be an effective way to gauge how much inventory is required for any given product. Often, the first week's response can give a reliable indication of final sales, especially for hot-selling items that will need to be reordered immediately.

Source: Fenvessy Consulting, 1985

WHAT IS THE LIFETIME VALUE OF A CUSTOMER?

(Based on Responses from Catalogers Who Have Conducted Studies to Estimate the Lifetime Value of Their Customers)

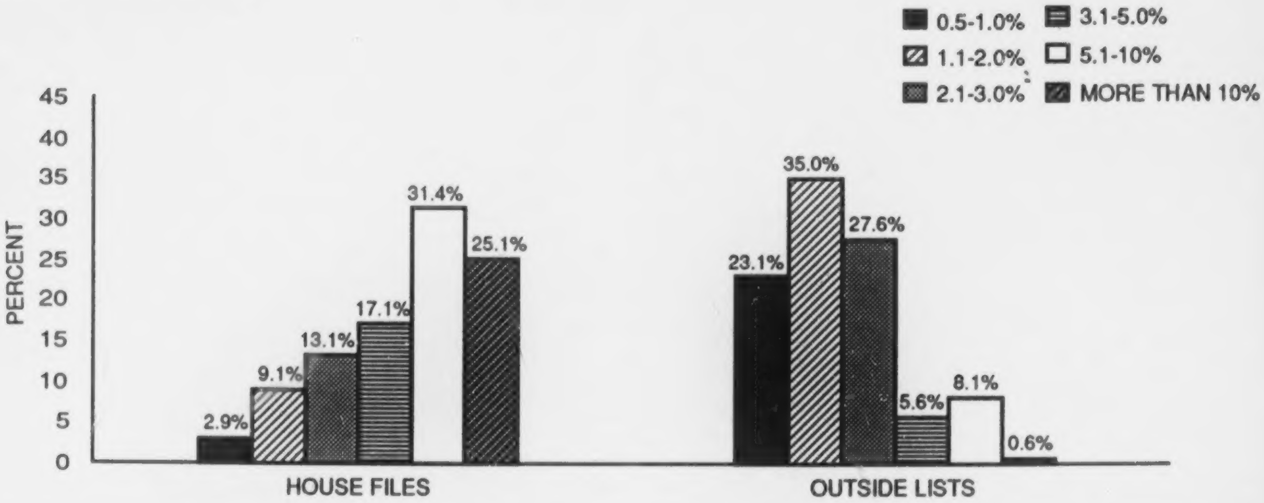
Just 18.3 percent (60 out of 356 respondents) state that they *have* conducted studies to estimate the Lifetime Value of their customers. Business-to-business buyers are the most highly valued. The majority of consumer buyers are valued at between $25--200.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

WHAT ARE YOUR AVERAGE RESPONSE RATES FROM HOUSE FILES AND/OR OUTSIDE LISTS?

(Consumer Catalogs)



Source The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

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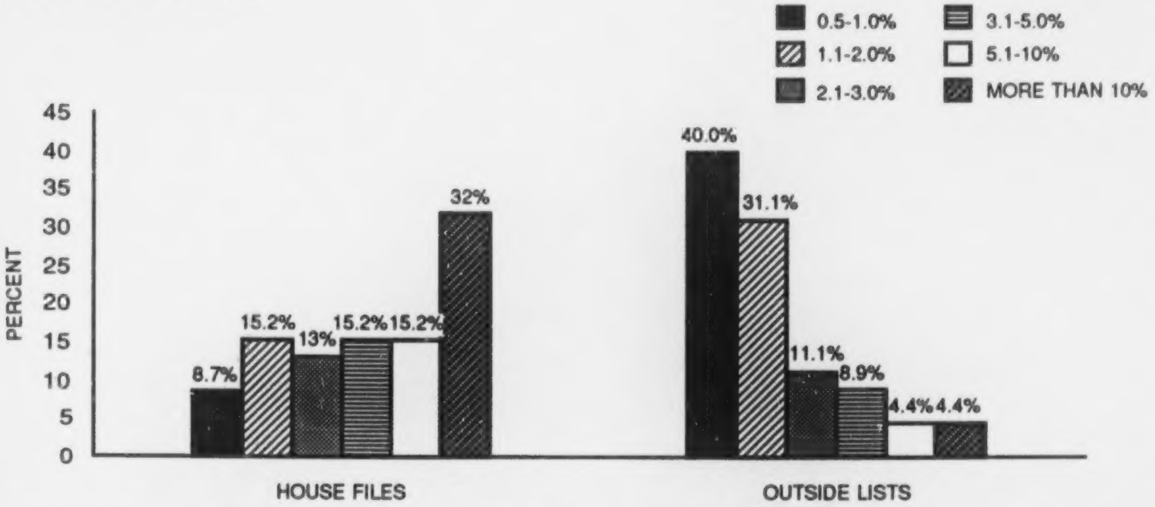
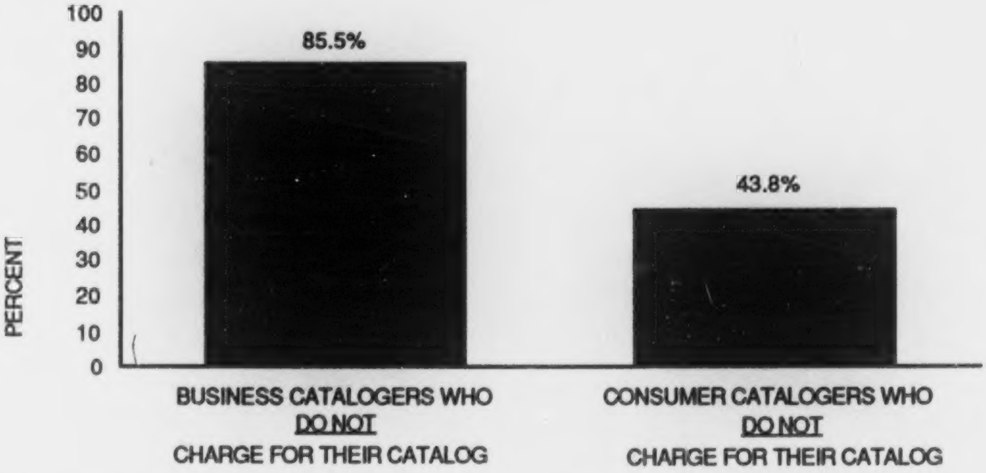
(Business Catalogs)



Source The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

DO YOU CHARGE FOR YOUR CATALOG?

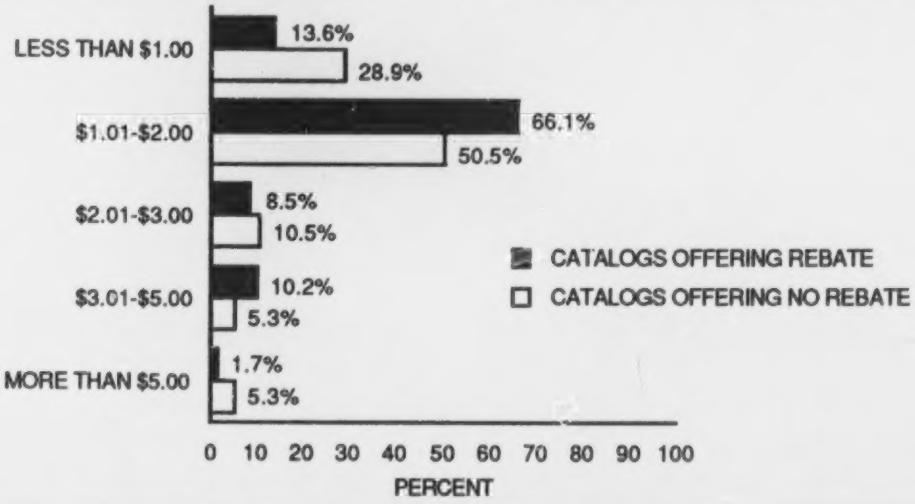
Qualifying leads by charging for catalogs is *not* widespread. Nearly half of all consumer catalogers *do not* charge for their catalogs.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

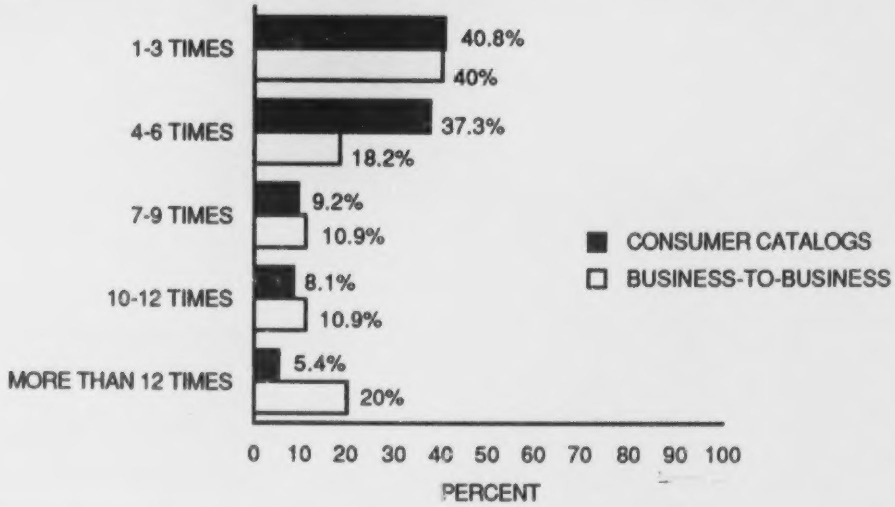
AMOUNTS CONSUMER CATALOGERS CHARGE FOR THEIR CATALOGS WHEN ADVERTISING FOR LEADS OR USING THE CATALOG AS AN OFFER

46.5 percent of Consumer catalog respondents charge for their catalogs, while only 9.1 percent of Business-to-Business Catalogers charge for theirs. Consumer catalog respondents charge an average of $1.79 with a rebate. Without a rebate, consumer catalogs average $1.71 per catalog.



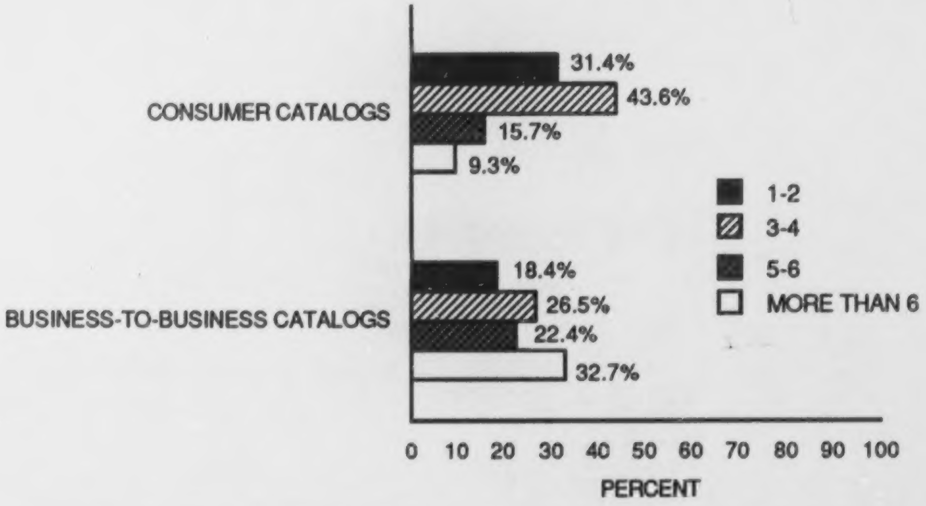
Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

ON AVERAGE, HOW MANY TIMES A YEAR DO YOU MAIL TO YOUR BEST CUSTOMERS?



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

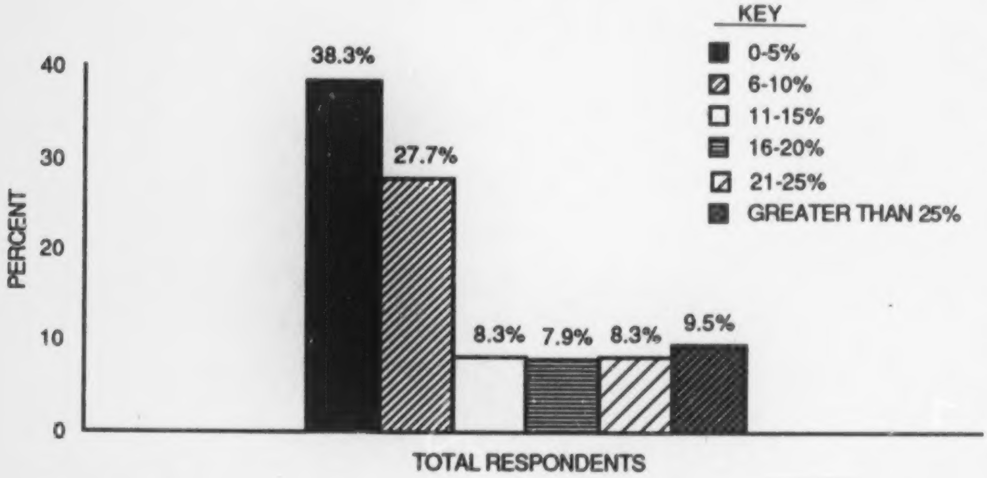
HOW MANY CATALOGS DO YOU SEND TO A LEAD BEFORE YOU STOP MAILING?



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

CONVERSION RATES FROM FREE CATALOGS

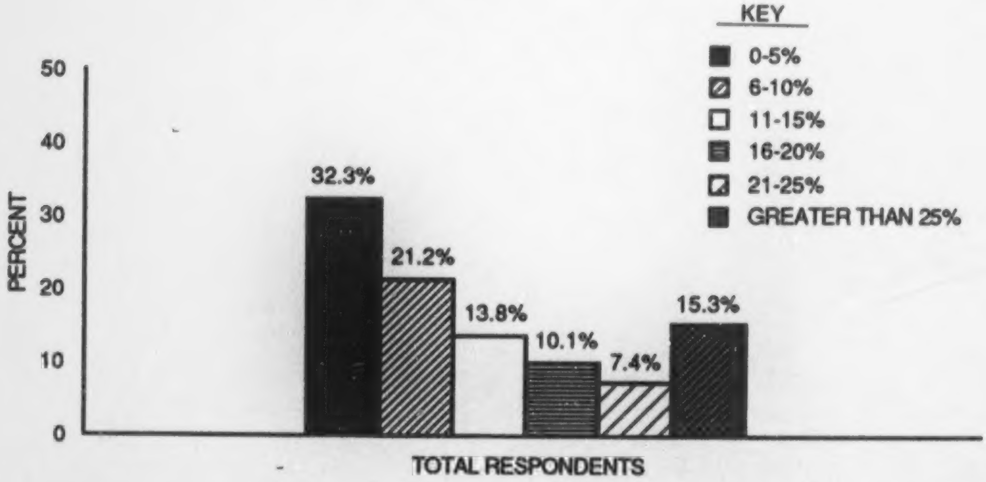
What percent, roughly, of your leads turn to buyers?



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

CONVERSION RATES FROM PAID CATALOGS

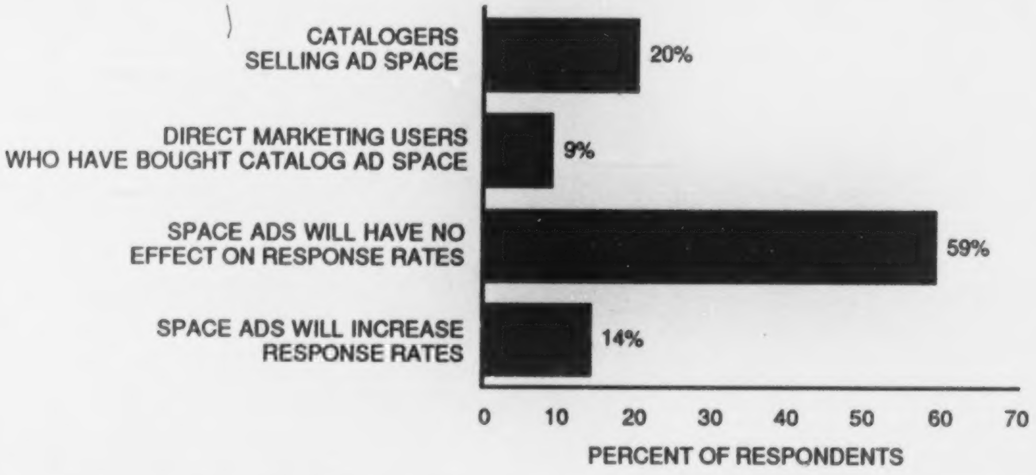
What percent, roughly, of your leads turn to buyers?



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

DIRECT MARKETERS' VIEWS ABOUT SPACE ADVERTISING IN CATALOGS

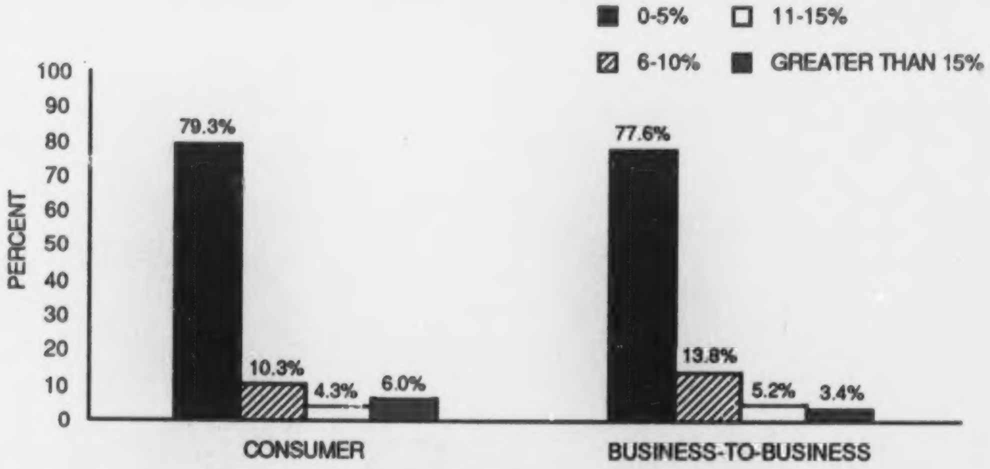
The DMA Management Survey of Current Direct Marketing Practices and Trends was conducted by mail in August 1986 among 4,550 companies. A 22 percent response rate was achieved.



Source: DMA Research Department, Marketing Council, 1986.

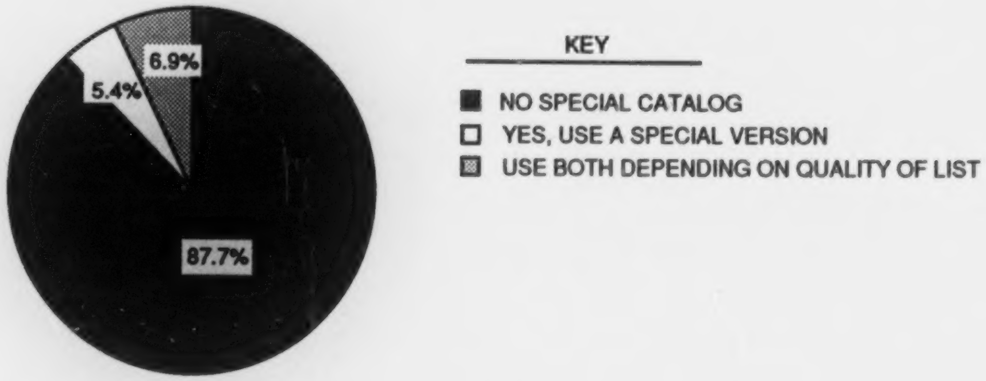
WHAT PERCENTAGE OF YOUR SHIPMENTS ARE RETURNED?

Most Catalogers represented in the survey report that less than 5% of all their shipments are returned.



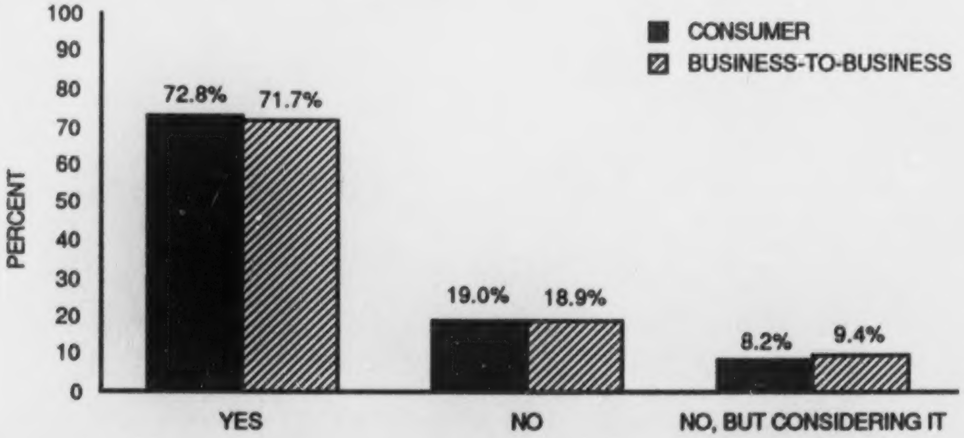
Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

DO YOU HAVE A SPECIAL PROSPECTING CATALOG?



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

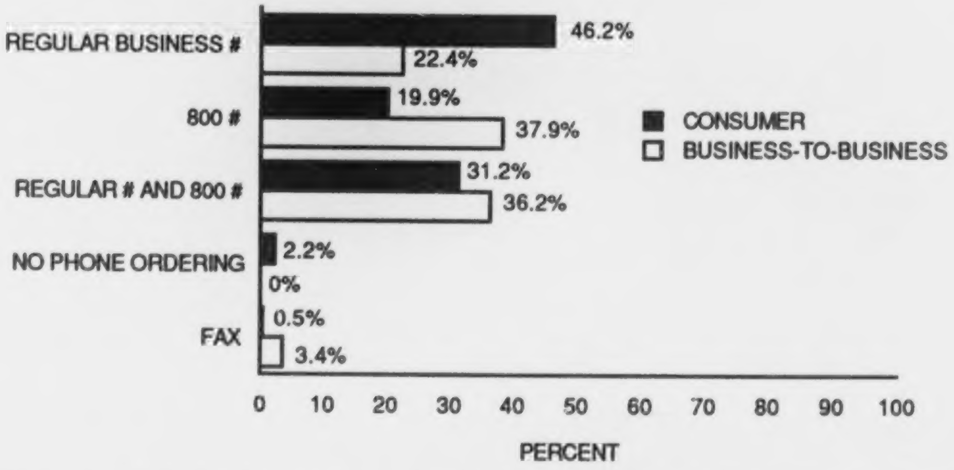
DO YOU OFFER OVERNIGHT SHIPPING?



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

DO YOU HAVE AN 800 NUMBER OR A REGULAR BUSINESS PHONE NUMBER FOR ORDERING?

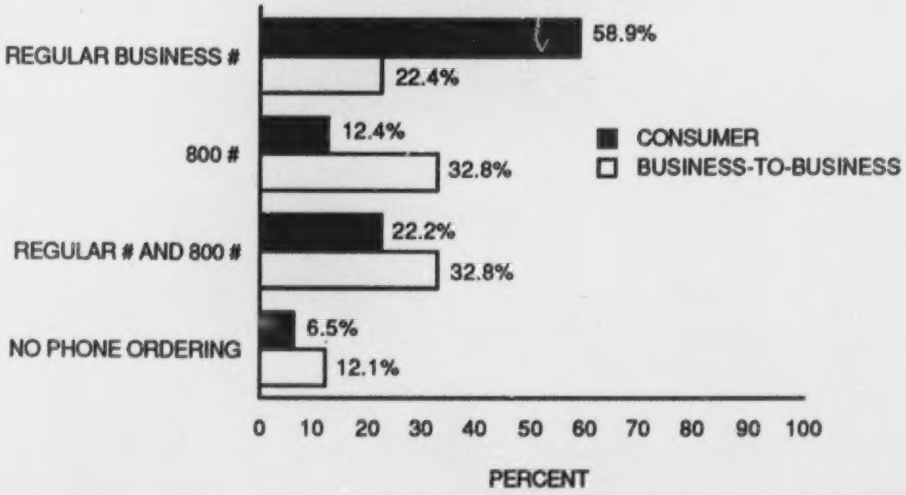
Consumer catalogers show resistance to using toll-free order numbers.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

DO YOU HAVE AN 800 NUMBER OR A REGULAR BUSINESS PHONE FOR CUSTOMER SERVICE?

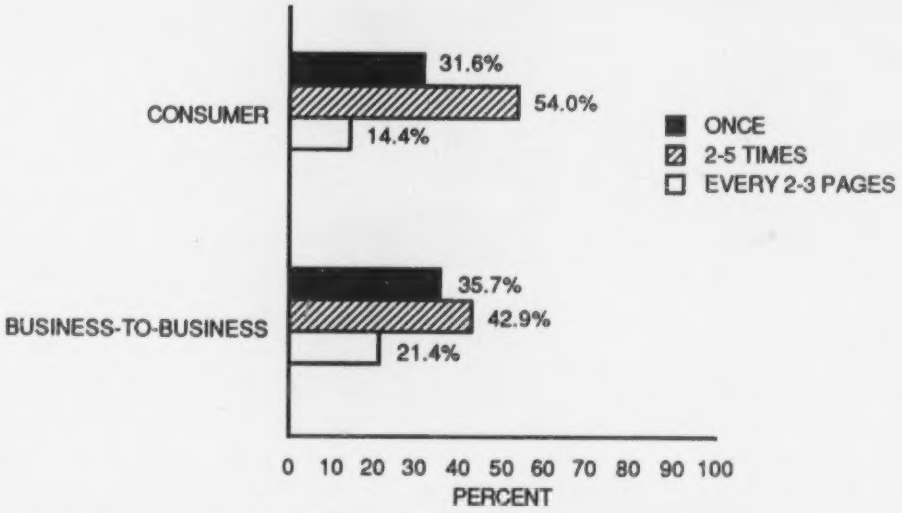
Business-to-business catalogers are more likely to offer toll-free customer service.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

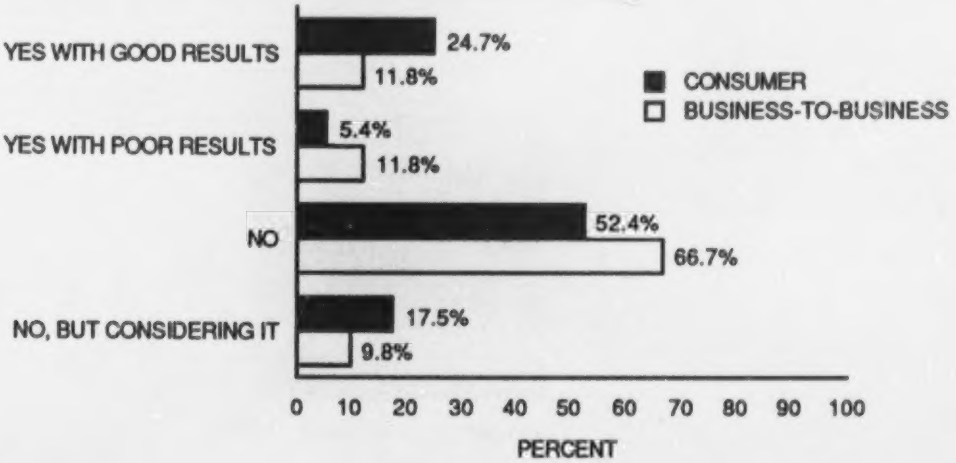
HOW OFTEN DO YOU STATE YOUR GUARANTEE IN YOUR CATALOG?

Of all consumer catalogers, 54.0% state their guarantee two to five times in their catalogs. Business-to-business marketers as a group report that 42.9% of them restate their guarantees two to five times.



HAVE YOU USED NATIONAL CHANGE OF ADDRESS (NCOA)?

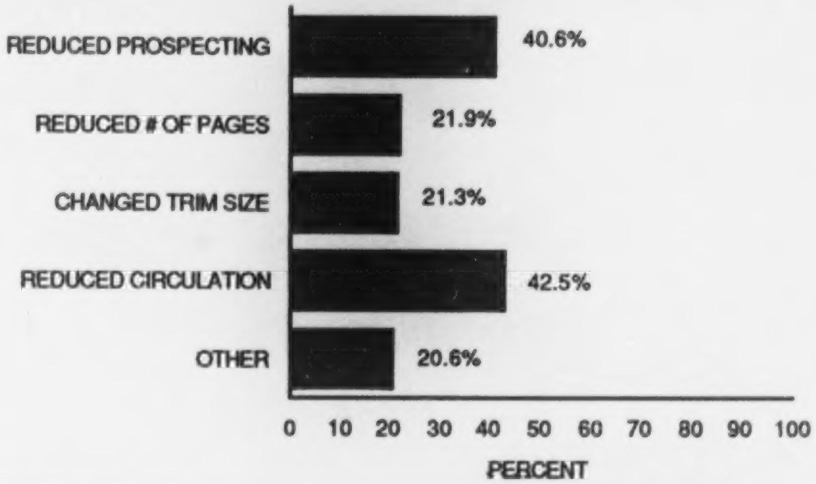
Three quarters of all respondents have never used NCOA. With regard to company size, half of the consumer catalogers with sales of $5 million+ and twenty percent of business catalogers with sales of $10 million+ have used NCOA with positive results.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

HOW DID THE 1988 POSTAL INCREASE CHANGE THE WAY YOU DO BUSINESS?

Catalogers altered circulation strategies to save on postage costs.



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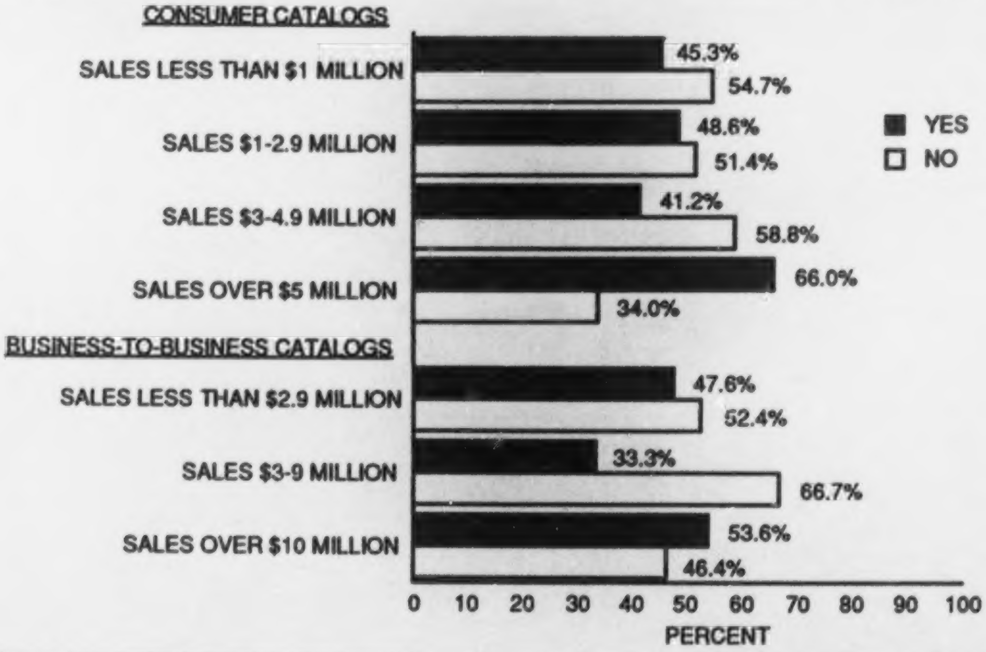
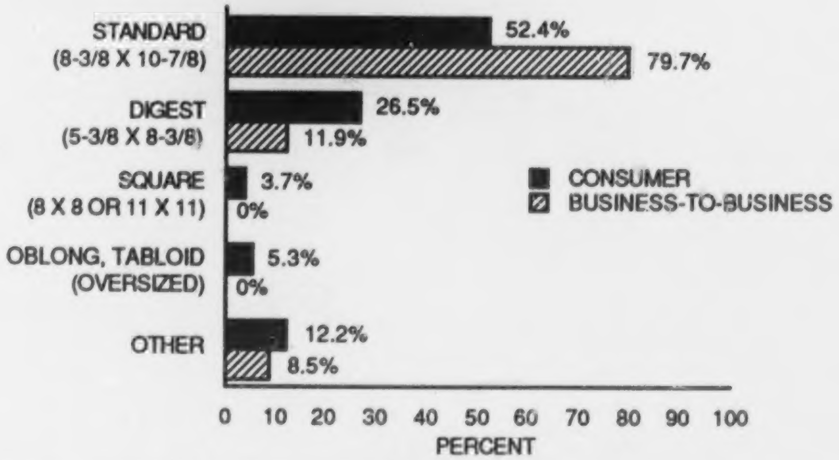
DID THE POSTAL INCREASE OF 1988 ALTER THE WAY YOU DO BUSINESS?



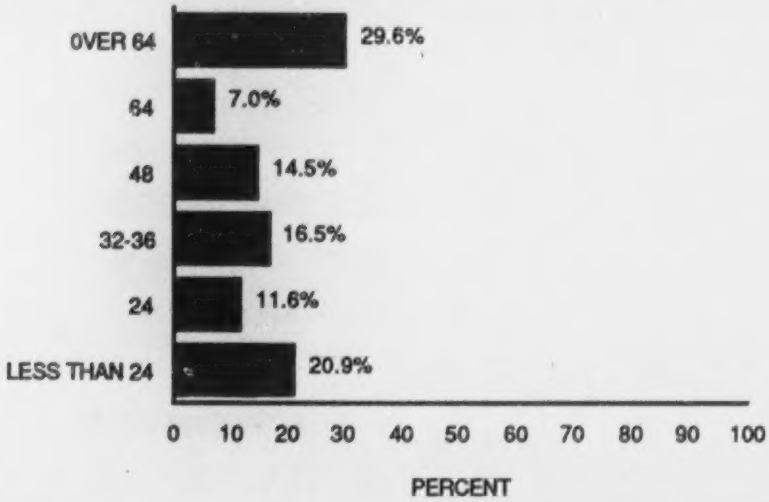
Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

WHAT SIZE IS YOUR PRIMARY CATALOG?



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

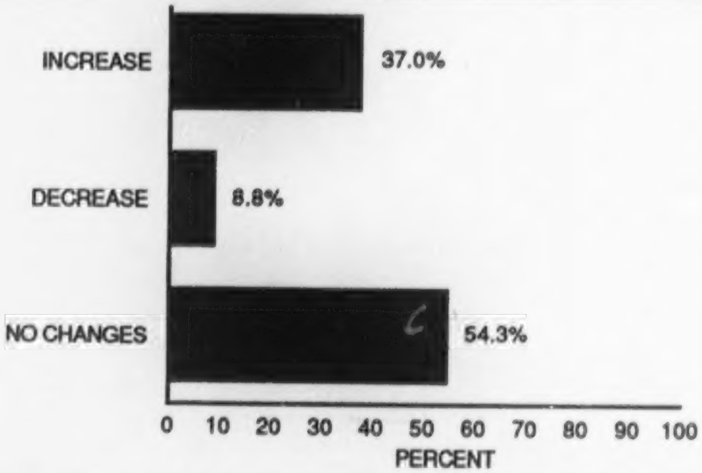
HOW MANY PAGES DOES YOUR PRIMARY CATALOG HAVE?



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

DO YOU PLAN TO INCREASE OR DECREASE THE NUMBER OF PAGES IN YOUR CATALOG?

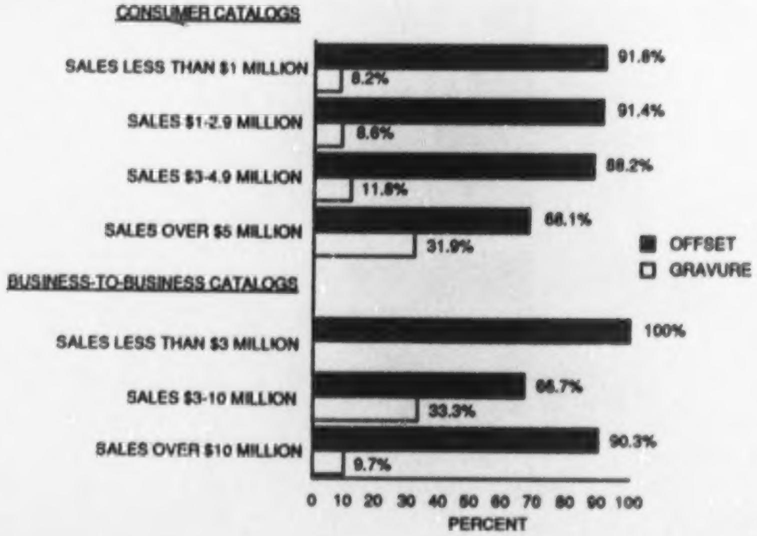
Compared with last year, catalogers are showing more conservatism with regard to increasing their page numbers. Most respondents (54.3%) say they plan to make no changes in the coming year, whereas in 1987, most (50.5%) said they planned to increase the number of pages in their primary books.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

HOW IS YOUR PRIMARY CATALOG PRINTED?

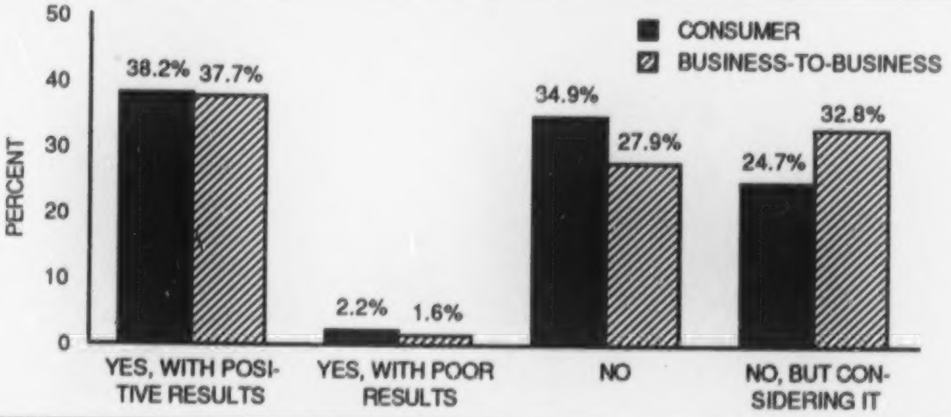
90% business-to-business catalogers and 84.9% of consumer catalogers use offset.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

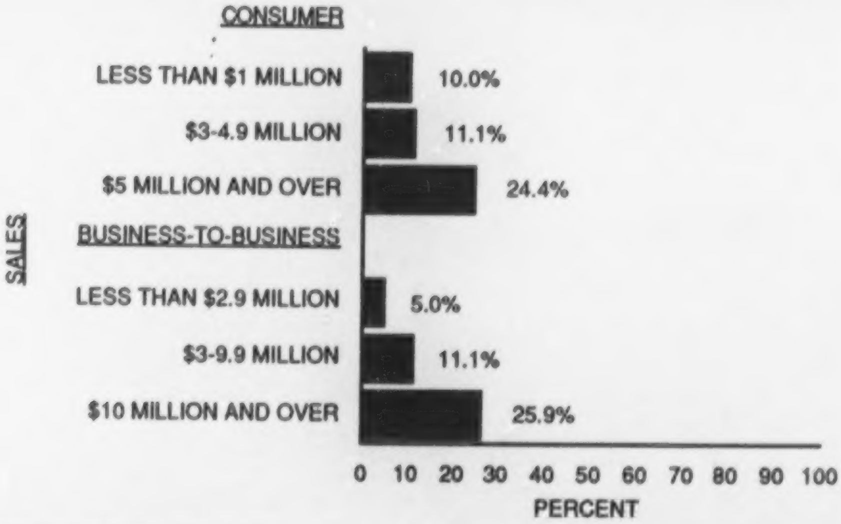
HAVE YOU TRIED ANY ASPECT OF DESKTOP PUBLISHING IN THE CATALOG PRODUCTION PROCESS?

Catalogers are rapidly adopting desktop publishing technology—This year's survey shows a significant percentage increase in the number of catalogers who use desktop publishing; that is, the process of employing personal computers, page layout programs, and laser printers in the catalog production process. In 1987, 29.8% of all respondents said they had tried desktop publishing and were pleased with the results. This year, that number has risen to 39.8%, while the total percentage of respondents who have used desktop systems is 41.3. Remarkably, according to the survey, a company's size has little bearing on its likelihood of employing this technology.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

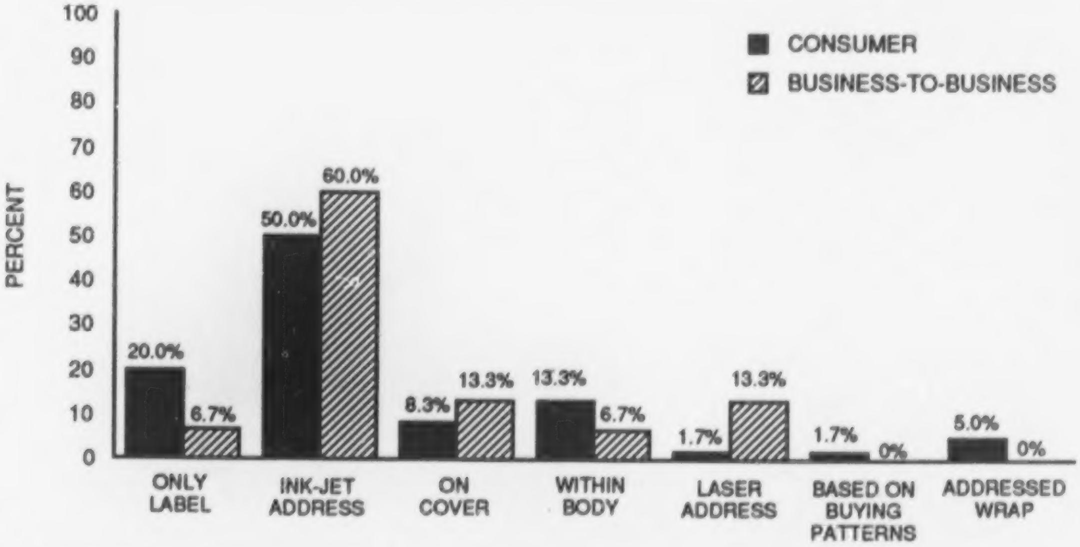
PERCENTAGE OF CATALOGS WHO HAVE TRIED SOME FORM OF SELECTIVE BINDING



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

WHAT FORM OF PERSONALIZATION DO YOU USE?

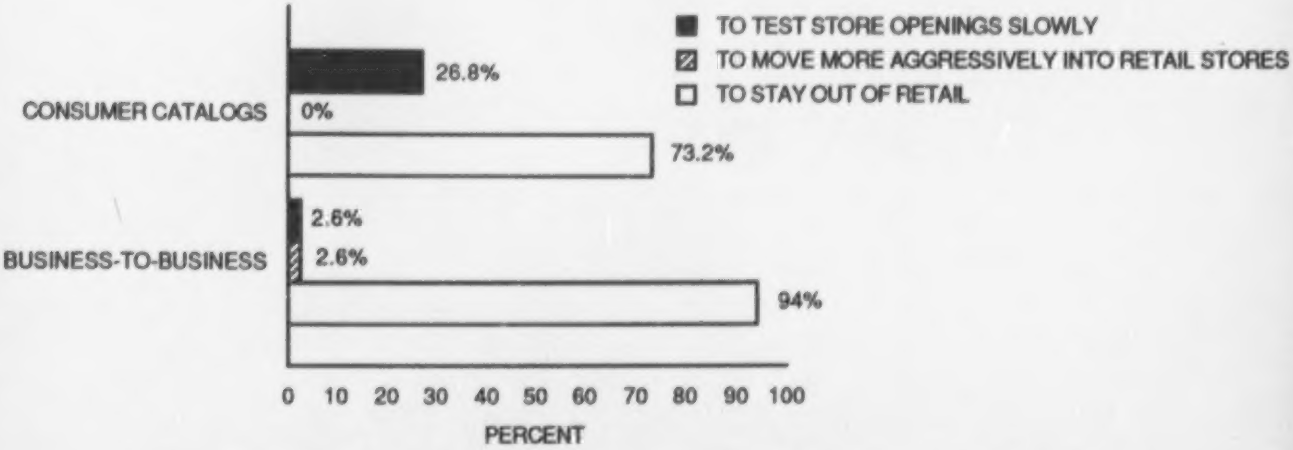
Only 32.3 percent of respondents reported using personalization in their catalogs.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

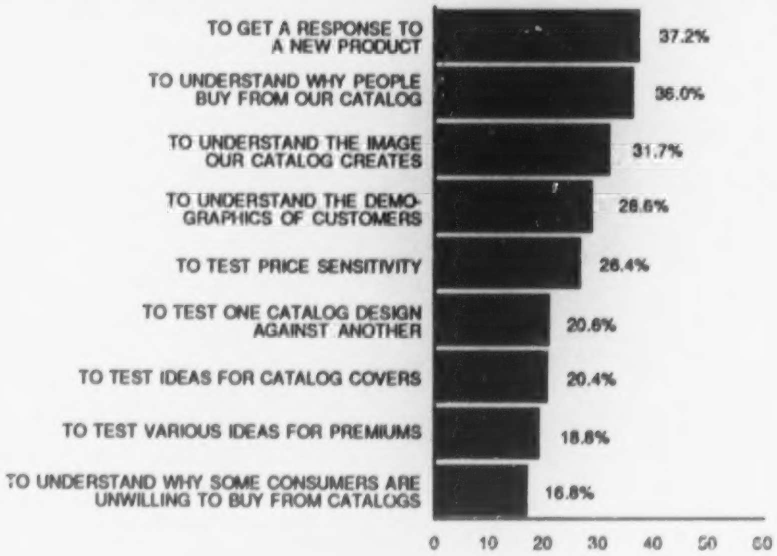
IF YOU DON'T CURRENTLY HAVE ANY RETAIL STORES, WHAT ARE YOUR PLANS?

Most catalogers who aren't in retail stores plan to stay out.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988.

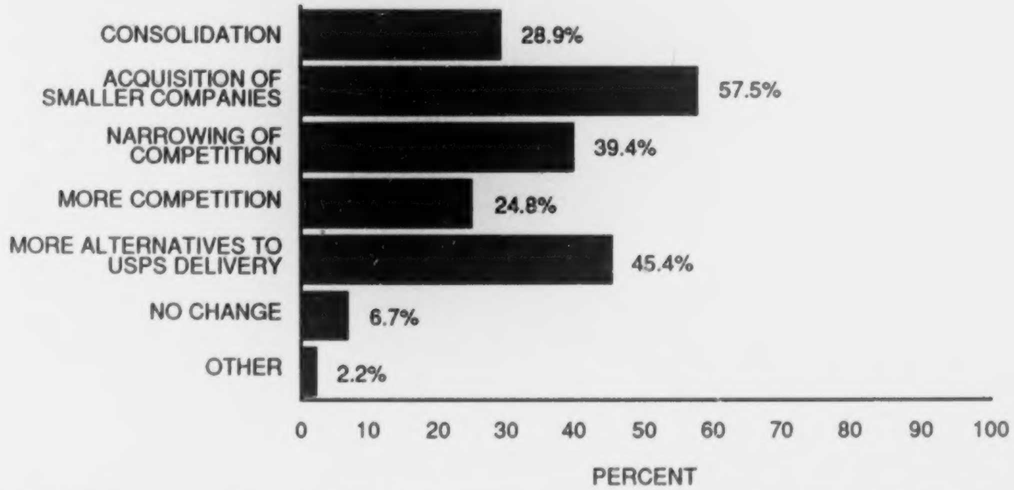
REASONS WHY SOME CATALOGERS CONDUCT MARKET RESEARCH



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

GIVEN TODAY'S MARKETING ENVIRONMENT, WHAT CHANGES DO YOU EXPECT TO SEE

Catalogers foresee buy-outs, alternate delivery systems ahead.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1988

• TELEPHONE

CONSUMER ATTITUDES

BUYING HABITS

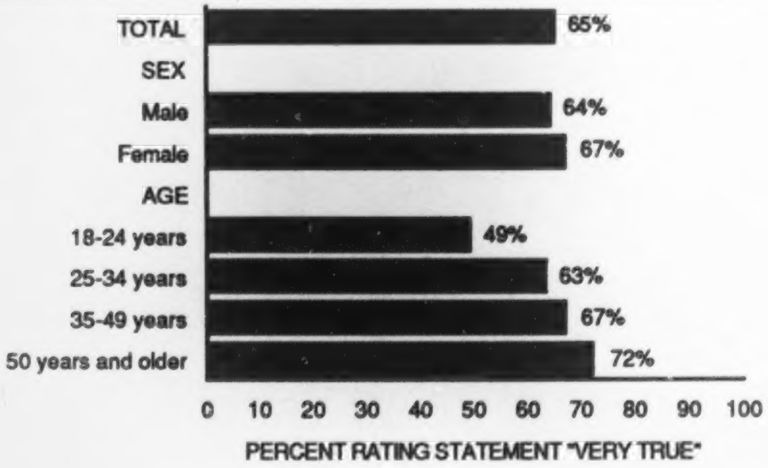
COSTS

TRENDS

DEMOGRAPHIC ANALYSIS OF ATTITUDES TOWARD TELEPHONE CALLS

The Gallup Survey, Ringing Up Annoyance, was conducted by personal interviews from October 21–28, 1986 among 1,559 adults.

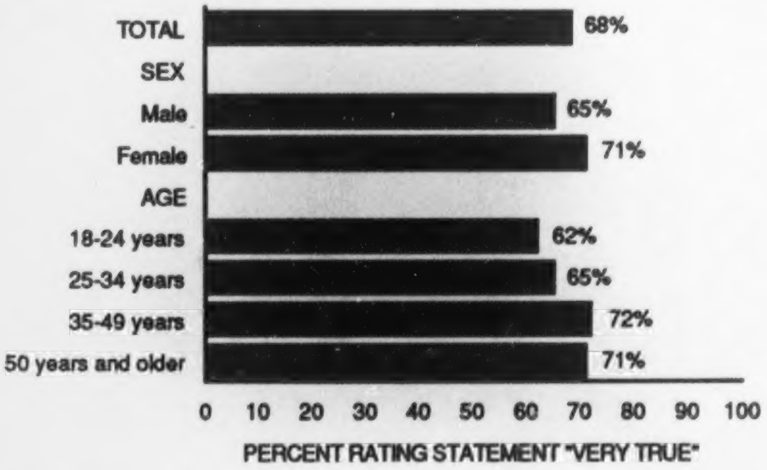
I think it is annoying when salespeople call me at home to sell products.



Source: Target Marketing, Gallup Organization, February 1987

DEMOGRAPHIC ANALYSIS OF ATTITUDES TOWARD COMPUTER-GENERATED TELEPHONE CALLS

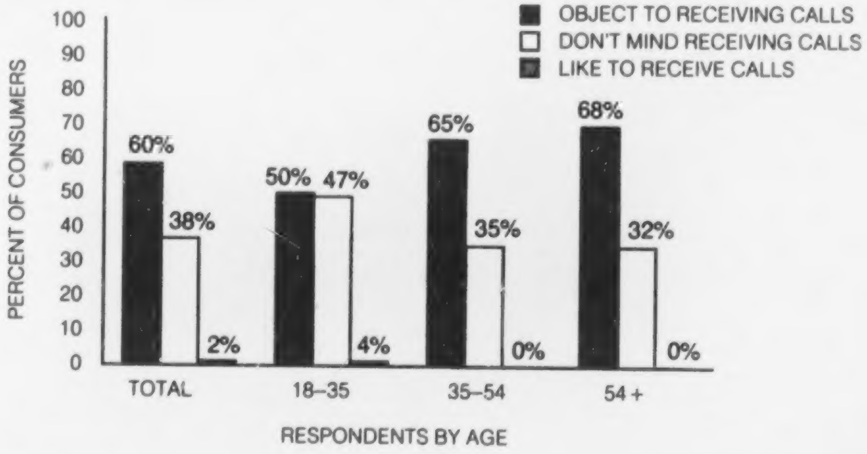
When I receive a promotional phone call, I would rather speak to a person than listen to a computer-generated announcement.



Source: Target Marketing, Gallup Organization, 1986

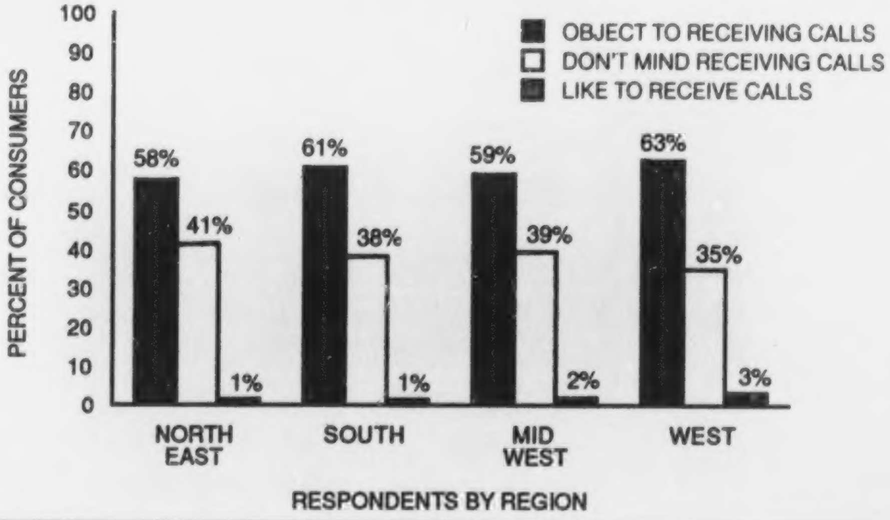
CONSUMER ATTITUDES TOWARD TELEMARKETING
BY AGE

Schlenker Research Services Report on The Current Use and Anticipated Growth of Telemarketing in American Business was conducted by Telephone interview in 3 separate studies.
The In-House Operation Study was among 707 companies.
The Service Bureau Study was among 64 companies.
The Consumer Attitudes Study was among 600 consumers.
All parts were conducted in June 1987.



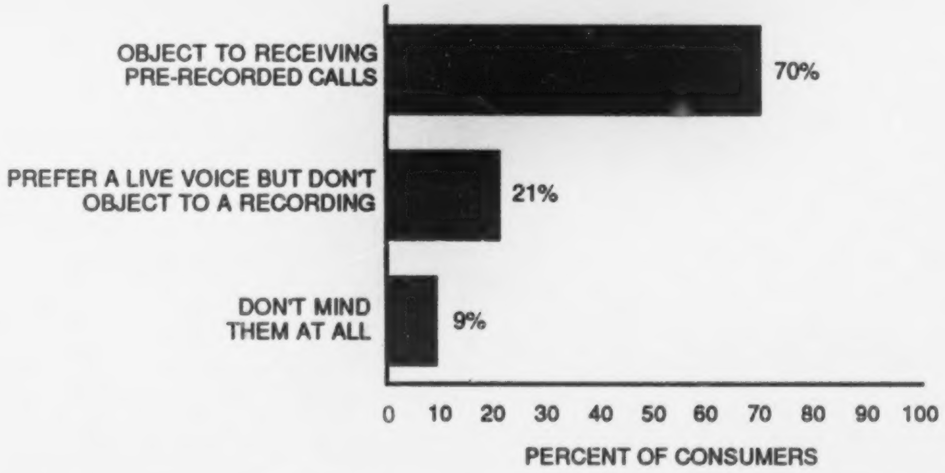
Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

CONSUMER ATTITUDES TOWARD TELEMARKETING
BY REGION



Source: Schlenker Research Services, "Telemarketing Intelligence," 1987.

CONSUMER ATTITUDES TOWARD RECEIVING PRE-RECORDED CALLS



Source: Schlenker Research Services, "Telemarketing Intelligence," 1987.

CONSUMER PERCEPTIONS OF TELEMARKETERS

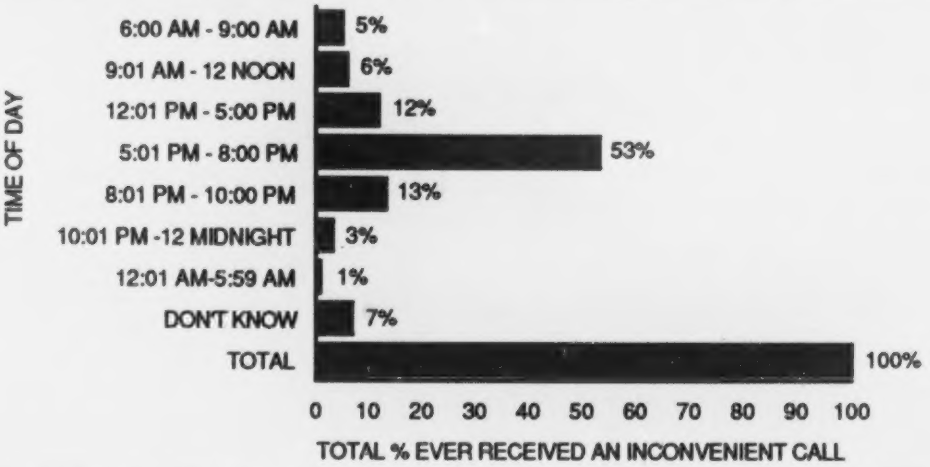
People who make the calls do so in a friendly & courteous manner.

	REGION					NUMBER OF TIMES CALLED IN PAST THREE MONTHS			RECEIVED PRE-RECORDED CALLS	
	TOTAL	NORTH EAST	SOUTH	MID WEST	WEST	NOT AT ALL	1–4 TIMES	5 OR MORE	YES	NO
STRONGLY AGREE	57%	60%	57%	57%	50%	51%	59%	56%	55%	59%
SLIGHTLY AGREE	34%	26%	35%	34%	41%	31%	32%	37%	34%	33%
SLIGHTLY DISAGREE	2%	2%	2%	3%	1%	3%	2%	2%	2%	2%
STRONGLY DISAGREE	2%	3%	1%	3%		3%	2%	2%	3%	1%
NEITHER AGREE NOR DISAGREE	5%	9%	4%	4%	8%	12%	4%	3%	6%	5%

Source: Schlenker Research Services, "Telemarketing Intelligence," 1987.

WHEN NOT TO CALL

The Gallup Organization's in depth study of the Future of Direct Marketing was conducted by telephone interviews during a twelve month span during calendar year 1987. Approximately 1,000 consumers were interviewed each month, generating over 12,000 respondents. The study focused on consumer behavior regarding catalogs and other mail order advertising, consumer attitudes for purchasing by direct response media and consumer motivations for purchasing by direct response media.



Source: Gallup Organization, July 1987

TOTAL POPULATION ORDERING BY TELEPHONE

The Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews. The statistics below represent consumers' responses to the *specific* instruction: Please mark any items listed below that you yourself ordered by mail and by phone in the last 12 months. 40 products and service categories were listed.

	1987 Total U.S. (000)	1987 Total U.S. Buyers (000)	% Any Product	1988 Total U.S. (000)	1988 Total U.S. Buyers (000)	% Any Product	% Change from 1987 to 1988 Total Buyers	Total Change in Buyers by Phone 1987–1988 (000)
Total Adults	173681	22003	12.7	176250	20896	11.9	− 5.03%	(−1107)
Males	82598	8745	10.6	84066	8792	10.5	− 0.54%	(+ 47)
Females	91083	13258	14.6	92184	12104	13.1	− 8.70%	(−1154)
18–24	27154	3131	11.5	26535	2589	9.8	−17.31%	(− 542)
25–34	42000	6411	15.3	42634	5858	13.7	− 8.63%	(− 553)
35–44	32529	5276	16.2	33688	5298	15.7	+ 0.42%	(+ 22)
45–54	22698	3095	13.6	23361	3175	13.6	+ 2.58%	(+ 80)
55–64	21980	2737	12.5	22021	2181	9.9	+20.31%	(− 556)
65 or Older	27319	1353	5.0	28011	1796	6.4	+32.74%	(+ 443)
Graduated College	30437	5382	17.7	31644	5296	16.7	− 1.60%	(− 86)
Attended College	32211	5119	15.9	32702	4568	14.0	−10.76%	(− 551)
Graduated High School	68358	8533	12.5	69681	8346	12.0	− 2.19%	(− 187)
Did Not Graduate High School	42675	2970	7.0	42223	2686	6.4	− 9.56%	(− 284)
Professional/Manager	26966	4786	17.7	28104	4537	16.1	− 5.20%	(− 249)
Tech/Clerical/Sales	34963	5868	16.8	35802	5550	15.5	− 5.42%	(− 318)
Precision/Craft	14199	1695	11.9	14098	1604	11.4	− 5.37%	(− 91)
Other Employed	29036	3223	11.1	33730	3411	10.1	+ 5.83%	(+ 188)
Single	37160	4012	10.8	37865	3733	9.9	− 6.95%	(− 279)
Married	105311	15014	14.3	106963	14659	13.7	− 2.36%	(− 355)
Divorced/Widowed/Separated	31210	2977	9.5	31422	2504	8.0	−15.89%	(− 473)
Parents	58618	9104	15.5	67328	9813	14.6	+ 7.79%	(+ 709)
Northeast—Census	37504	4437	11.8	37366	4981	13.3	+12.26%	(+ 544)
Midwest	42665	6595	15.5	43426	6091	14.0	− 7.64%	(− 504)
South	59354	7070	11.9	60402	6240	10.3	−11.74%	(− 830)
West	34158	3901	11.4	35057	3584	10.2	− 8.13%	(− 317)
Household Income								
$60,000 or More	16548	2883	17.4	20289	3609	17.8	+25.18%	(+ 726)
$50,000 or More	26626	4766	17.9	31340	5284	16.9	+10.87%	(+ 518)
$40,000 or More	47419	7898	16.7	53108	8545	16.1	+ 8.19%	(+ 647)
$30,000 or More	76841	12737	16.6	82233	12409	15.1	− 2.58%	(− 328)
$30,000–$39,999	29422	4839	16.4	29126	3864	13.3	−20.15%	(− 975)
$20,000–$29,999	35594	4872	13.7	34891	4181	12.0	−14.18%	(− 691)
$10,000–$19,999	36140	2861	7.9	37097	3280	8.8	+14.65%	(+ 419)
Under $10,000	25107	1533	6.1	22029	1026	4.7	−33.07%	(− 507)
Household Size								
1 Person	21267	1730	8.1	21267	1780	8.4	+ 2.89%	(+ 50)
2 People	54138	6215	11.5	55771	6048	10.8	− 2.69%	(− 167)
3 or 4 People	70725	10276	14.5	71810	9436	13.1	− 8.17%	(− 840)
5 or More People	27550	3784	13.7	27402	3632	13.3	− 4.02%	(− 152)
Children								
No Child in Household	101867	11486	11.3	104468	10595	10.1	− 7.76%	(− 891)
Children Under 2 Years	14740	2062	14.0	14095	1615	11.5	−21.68%	(− 447)
2–5 Years	25443	3991	15.7	25865	3514	13.6	−11.95%	(− 477)
6–11 Years	31478	5103	16.2	33171	4929	14.9	− 3.41%	(− 174)
12–17 Years	33498	4935	14.7	33224	4995	15.0	+ 1.22%	(+ 60)
Residence Owned	119593	16796	14.0	123262	16476	13.4	− 1.91%	(− 320)
Value: $60,000 or More	65738	9887	15.0	70282	10347	14.7	+ 4.65%	(+ 460)
Less than $60,000	53855	6909	12.8	52980	6129	11.6	−11.29%	(− 780)

Source: Simmons Market Research Bureau: 1987, 1988 Study of Media and Markets.

IN-HOUSE OUT BOUND TELEMARKETING COST WORKSHEET

OUTBOUND: 9:00 A.M. TO 5:00 P.M.
MONTHLY EXPENSE STATEMENT

REPRESENTATIVES PHONE HOURS (1235) **DIRECT EXPENSES**	**COST**	**COST/PHONE HOUR**
A. LABOR		
MANAGER (⅓ TIME)	$ 1,500	$ 1.21
SUPERVISOR (FULL TIME)	3,000	2.43
REPRESENTATIVES (10 FULL TIME)	18,000	14.58
ADMIN. (2 FULL TIME)	2,426	1.96
TAX AND FRINGE (⅓ OF WAGES)	12,296	9.96
INCENTIVE	12,000	9.72
SUBTOTAL	$49,222	$39.86
B. PHONE		
EQUIPMENT AND SERVICE	350	.28
LINES:		
• WATS	9,228	7.47
• MTS (MESSAGE TOLL SERVICE)	3,075	2.50
SUBTOTAL	$12,653	$10.25
C. AUTOMATION		
DEPRECIATION	4,950	1.58
MAINTENANCE	731	.59
SUBTOTAL	2,681	2.17
D. OTHER		
LISTS	3,088	2.50
MAIL/CATALOGS	617	.50
POSTAGE	309	.25
MISCELLANEOUS	1,235	1.00
SUBTOTAL	$ 5,249	$ 4.25
TOTAL DIRECT	$69,805	$56.52
G&A (15%)	10,471	8.48
TOTALS	$80,276	$65.00

BASIS FOR EXPENSE STATEMENT:

LABOR

Manager: Annual = $54,000 × ⅓ allocation = $1,500/month
Supervisor: Annual = $36,000 at full allocation = $3,000/month
Representatives: $8.65/hour × 40 hours/week × 52 weeks
full allocation = $1800/month
6.5 phone hours/day × 19 days/month = 123.5 phone hours/month
Admin: $7.00/hour × 40 hours/week × 52 weeks at full allocation = $1213/month
Tax and fringe: 33.3% of wages (including contest incentives)
Incentive: Reps Only—40% of Total Renumeration

PHONE Step Rate 18 plus Band 5*

WATS = 35 minutes (50%) per labor hour WATS connect time:
1235 × 50% = 617 billable WATS hours plus 10 lines @ $31.65/line access
MTS (Message Toll Services) =
5 minutes per labor hour connect time:
1235 × 8.3% = 102.5 Message Toll @ 0.50 Min. = $3,075

COMPUTATIONS:

1. @ 12 TDs (total dialings) per rep phone hour cost per dial = $5.42
2. @ 15 TDs (total dialings) per rep phone hour cost per dial = $4.33
3. @ 5 DMCs (decision-maker contacts) per phone hour cost per DMC = $13.00
4. @ 6 DMCs (decision-maker contacts) per phone hour cost per DMC = $10.83
5. @ 1 Order per rep phone hour cost per order = $65.00
6. @ 3 Orders per rep phone hour cost per order = $21.67

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*Step Rate 18 (Local State) plus Band 5 (all other continental states plus Puerto Rico and Virgin Islands).

Source: Successful Telemarketing, Bob Stone & John Wyman published by National Textbook, 1986. Statistics updated in 1987

IN-HOUSE IN BOUND TELEMARKETING COST WORKSHEET

INBOUND: 9:00 A.M. TO 5:00 P.M.
MONTHLY EXPENSE STATEMENT

REPRESENTATIVE PHONE HOURS (1235) DIRECT EXPENSES	COST	COST/PHONE HOUR
A. LABOR		
MANAGER (⅓ TIME)	$ 1,250	$ 1.01
SUPERVISOR (FULL TIME)	2,750	2.23
REPRESENTATIVES (10 FULL TIME)	16,000	12.95
ADMIN. (2 FULL TIME)	2,426	1.96
TAX AND FRINGE (⅓ OF WAGES)	8,134	6.59
INCENTIVE	2,000	1.62
SUBTOTAL	$32,560	$26.36
B. PHONE		
EQUIPMENT AND SERVICE	1,489	1.21
LINES:		
• WATS	12,819	10.38
• MTS (MESSAGE TOLL SERVICE)	—	—
SUBTOTAL	$14,308	$11.59
C. OTHER		
LISTS	—	—
MAIL/CATALOGS	2,470	1.00
POSTAGE	1,235	.50
MISCELLANEOUS	1,000	.81
SUBTOTAL	$ 4,705	$ 2.31
TOTAL DIRECT	$51,573	41.76
G&A (15%)	7,736	6.26
TOTALS	$59,309	$48.02

BASIS FOR EXPENSE STATEMENT

LABOR

Manager: Annual = $45,000 × ⅓ allocation = $1,250/month
Supervisor: Annual = $33,000 at full allocation = $2,750/month
Representatives: $9.23/hour × 40 hours/week × 52 weeks
full allocation = $1600/month
6.5 phone hours/day × 19 days/month = 123.5 phone hours/month
Admin: $7.00/hour × 40 hours/week × 52 weeks full allocation = $1213/month
Tax and fringe: 33.3% of wages (including contest incentives)
Incentives: Reps Only—$2,000/month

PHONE

WATS (800) = *Step Rate 18 plus Band 5
42 minutes (70%) per labor hour WATS Connect Time: 1235 hours × 0.70% = 865
billable WATS hours plus 10 lines @ $36.80/line access

NOTE

The average number of calls handled per rep phone hour is 12 @ 2.3 minutes each. As high as 15 per phone hour during peaks.

COMPUTATIONS

1. @ 12 calls/hour = $3.93/call
2. @ 15 calls/hour = $3.14/call
3. @ 1 Order/rep phone hour = $47.00 per order
4. @ 6 Order/rep phone hour = $7.85 per order

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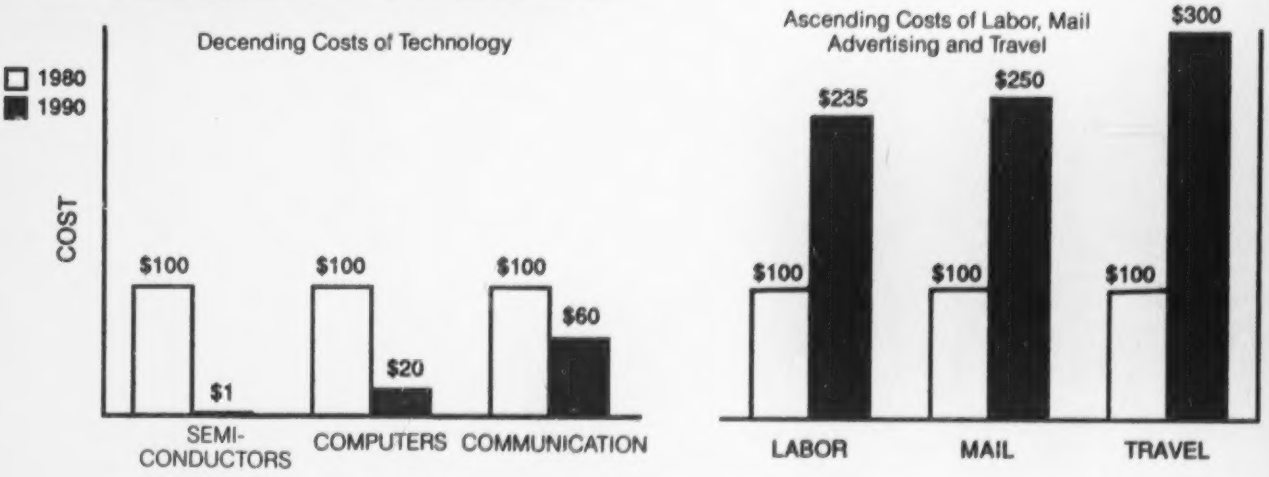
*Step Rate 18 (Local State) plus Band 5 (all other continental states plus Puerto Rico and Virgin Islands).

Source: Successful Telemarketing, Bob Stone & John Wyman published by National Textbook, 1986. Statistics updated in 1987

TECHNOLOGICAL IMPACT ON COSTS THE 1980's DECADE—COST DYNAMICS



Source: Successful Telemarketing, Bob Stone and John Wyman published by National Textbook, 1986.

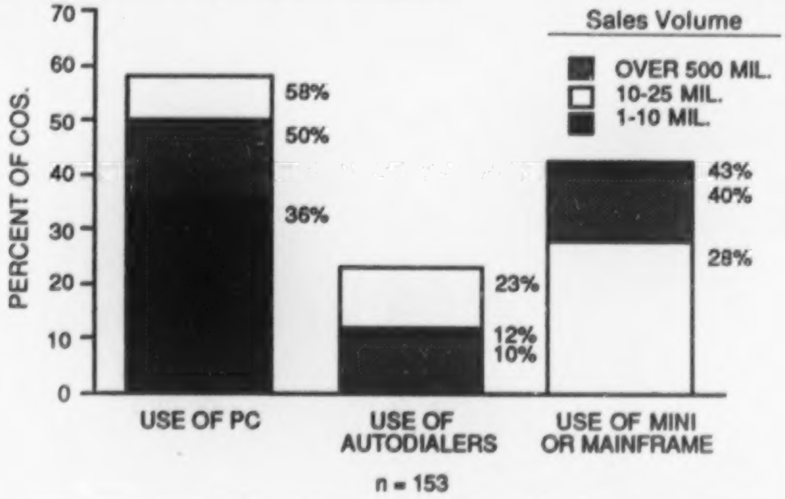
1989 TELEMARKETING SALARIES

Crandall Associates, Inc. have determined the salaries by the following process: 1) Discussion with employers, from presidents to personnel officers throughout the country, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with the professionals in Direct Marketing at all salary levels, working from coast to coast; 3) Search assignments that were received, nationally, enabling Crandall Associates, Inc. to confirm salary levels that prove to be effective in recruiting candidates from each experience range, and serve as a double check on the figures.

Position Title And Description	**Years Exp.**	**Base Salary Range (excluding benefits)**		**Leading Firms**
TELEMARKETING DIRECTOR/Outbound: Complete marketing, strategic and operations responsibility for company's telephone sales.	1–3	$37,400	$43,600	$49,000
	4–7	$49,600	$57,600	$64,100
	7+	$61,100	$67,700	$74,400
TELEMARKETING MANAGER/Outbound: Manages department, its programs and personnel, integrating lists, scripts and marketing plans.	1–3	$31,200	$32,800	$34,900
	4–7	$33,700	$38,800	$43,100
	7+	$42,200	$48,900	$54,300
TELEMARKETING MANAGER/Inbound: Complete responsibility for equipment and integration order taking and/or customer service.	1–3	$24,600	$27,600	$32,400
	4–7	$31,100	$35,800	$39,700
	7+	$37,200	$41,700	$44,900
TELEMARKETING SUPERVISOR/Inbound: Oversees Telemarketing Sales Representatives in order taking and providing customer service.	1–3	$20,700	$21,400	$21,900
	4–7	$22,300	$23,700	$26,400
	7+	$24,100	$25,300	$28,800
TELEMARKETING TRAINER: Interviews, hires and trains Telemarketing Sales Representatives for continual quality control and motivation.	1–3	$24,700	$27,100	$28,600
	4–7	$27,400	$30,900	$35,800
	7+	$34,200	$38,300	$40,200

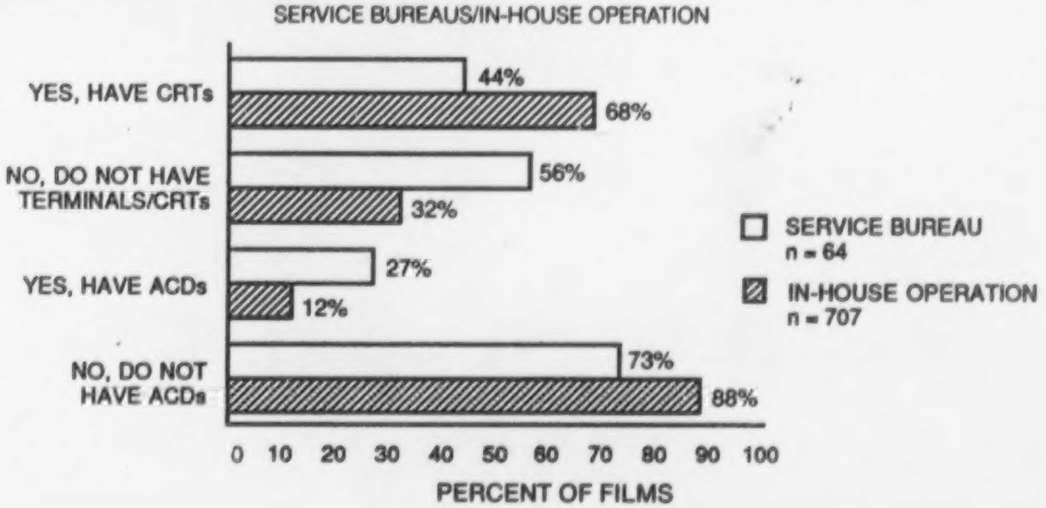
Source: Crandall Associates, Inc. 1989.

LEVEL OF AUTOMATION BY SALES VOLUME



Source: CRC Information Systems, 1987; Telemarketing Magazine, February, 1987

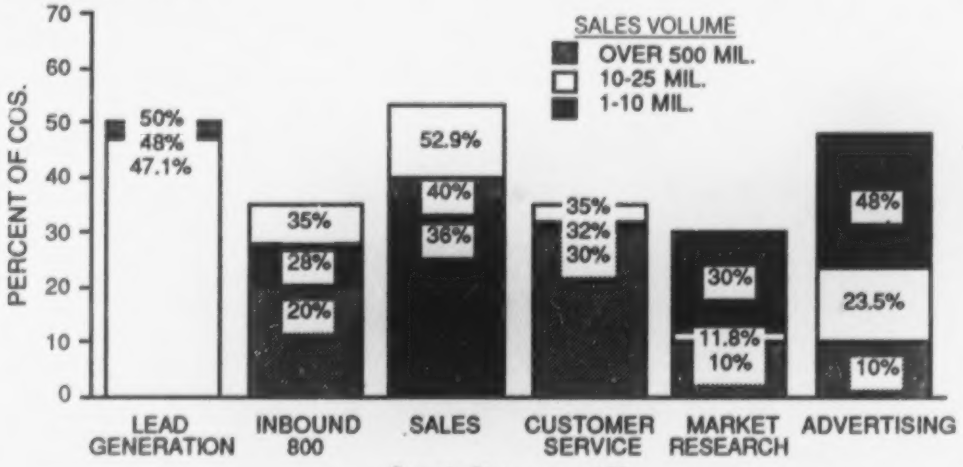
INCIDENCE OF FIRMS HAVING COMPUTER TERMINALS (CRTs) AND AUTOMATIC CALL DISTRIBUTORS (ACDs)



Source: Schlenker Research Services, "Telemarketing Intelligence," 1987.

TYPES OF TELEMARKETING CAMPAIGNS BY SALES VOLUME

Example: 50% of companies with over 500 million dollars in sales use telemarketing to do lead generation.

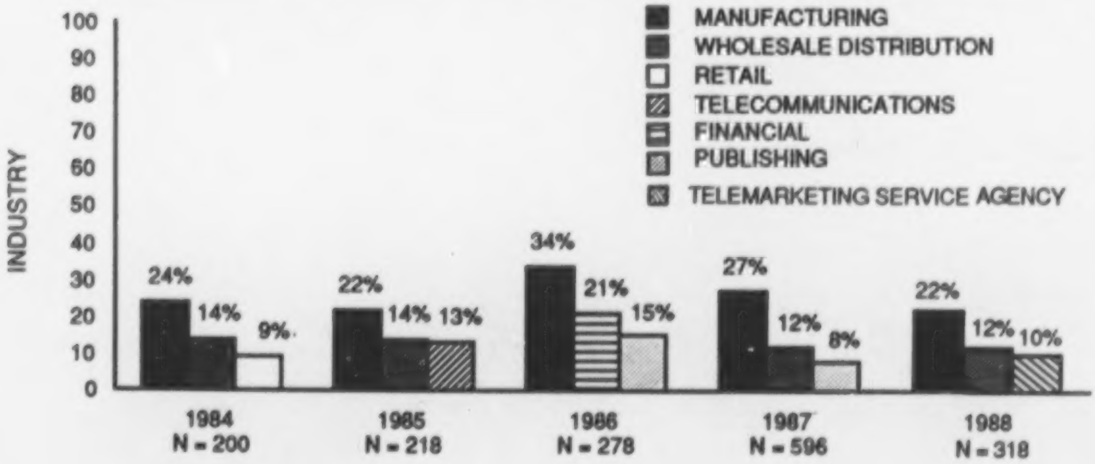


Sample Size = n = 153

Source: CRC Information Systems, 1987, Telemarketing Magazine, February, 1987

TOP 3 INDUSTRIES USING TELEMARKETING EACH YEAR (1984–1988)

The Sixth Annual Telemarketing Compensation Update was conducted in April 1988 by mail among 5000 Telemarketing magazine subscribers. A 6 percent response rate was achieved. The main purpose of this study was to present some comprehensive comparisons of compensation practices over the last five years.



N = # OF RESPONDENTS

Note: In 1986 Manufacturing and Wholesale Distribution were combined.

Source: Telemarketing, August 1988

INBOUND TELEMARKETING APPLICATIONS

SERVICE BUREAU

n = 64

The Telemarketing Intelligence Report, The Current Use and Anticipated Growth of Telemarketing in American Business, June 1987, consists of three segments conducted by telephone interviews. The segments are:

1) In House Operations Study; Sample size: 707 companies
2) Consumer Bureau Study; Sample Size: 64 companies
3) Consumer Attitudes Study; Sample Size: 600 companies

INBOUND APPLICATION	INVOLVED
ORDER TAKING	81%
FULL ACCOUNT MANAGEMENT SERVICE	56
DEALER LOCATOR	69
CUSTOMER SERVICE	67
INCREASING/UPGRADING DOLLAR ORDER SIZE	81
HANDLING COMPLAINTS	58
FUND RAISING PLEDGES	47
OTHER (ANSWERING QUESTIONS, SOLVING PROBLEMS, ETC.)	42
NOT STATED	3

IN-HOUSE OPERATION

n = 707

INBOUND APPLICATION	INVOLVED
ORDER TAKING	87%
CUSTOMER SERVICE	88
ANSWERING QUESTIONS	97
SOLVING PROBLEMS	88
FULL ACCOUNT MANAGEMENT SERVICE	49
HANDLING COMPLAINTS	90
UPGRADING ORDER	68
DEALER LOCATOR	40
OTHER	6

Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

OUTBOUND TELEMARKETING APPLICATIONS

SERVICE BUREAU

N = 64

OUTBOUND APPLICATION	INVOLVED
DIRECT SELLING	86%
FUND RAISING	67
SCREENING/QUALIFYING SALES LEADS	86
SETTING APPOINTMENTS	77
FULL ACCOUNT MANAGEMENT SERVICE	50
MARKET RESEARCH	80
CREDIT CHECKS	20
COLLECTIONS	19
OTHER	8
NOT STATED	3

Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

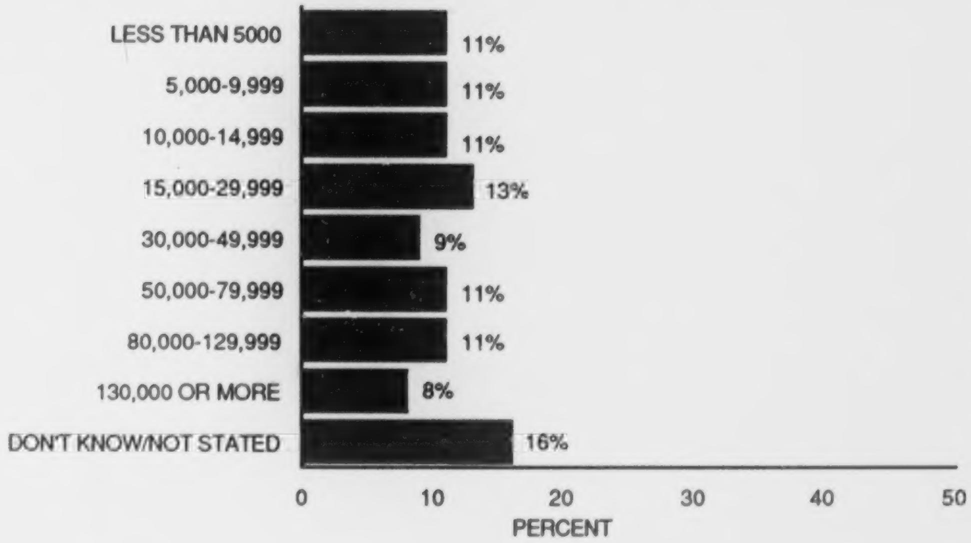
OUTBOUND TELEMARKETING APPLICATIONS
IN-HOUSE OPERATION

OUTBOUND APPLICATIONS	INVOLVED
DIRECT SELLING	86%
SCREENING/QUALIFYING SALES LEADS	72
SETTING APPOINTMENTS	40
FULL ACCOUNT MANAGEMENT SERVICE	45
OPENING NEW ACCOUNTS	72
HANDLING SMALLER ACCOUNTS	67
MARKET RESEARCH	48
HANDLING GEOGRAPHIC REMOTE ACCOUNTS	62
CREDIT CHECKS	23
COLLECTIONS	24
OTHER	7

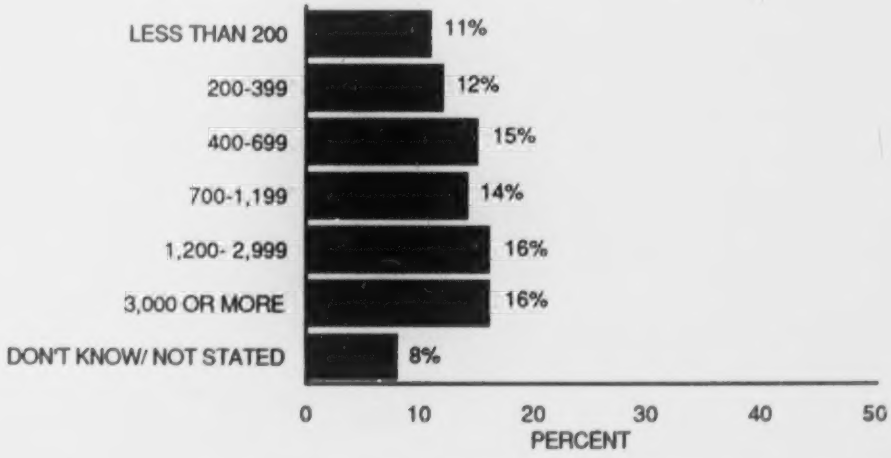
Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

AVERAGE NUMBER OF OUTBOUND CALLS MADE IN A WEEK

SERVICE BUREAU
n = 64



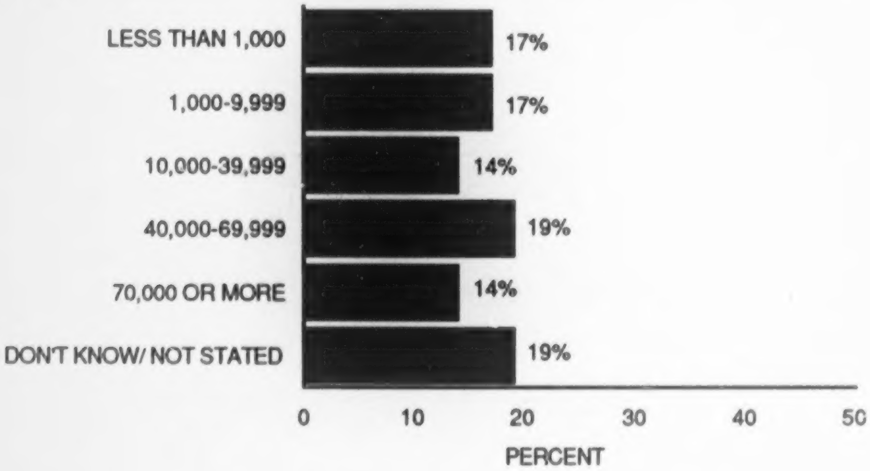
IN-HOUSE OPERATION
n = 489



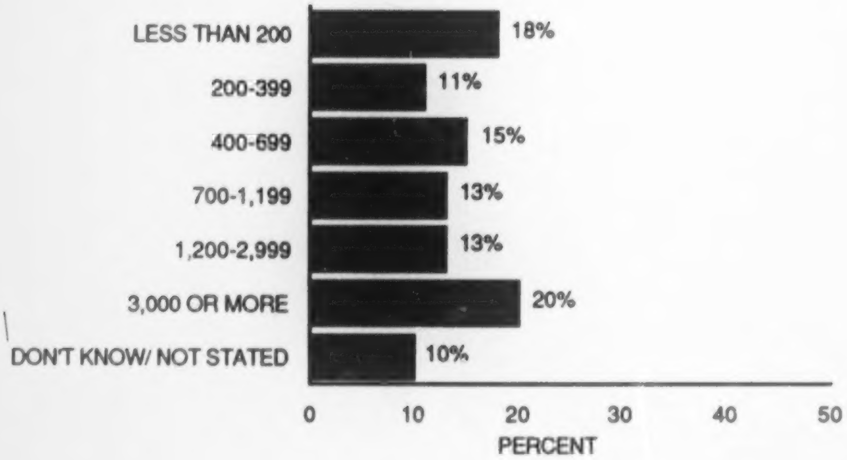
Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

AVERAGE NUMBER OF INBOUND CALLS RECEIVED IN A WEEK

SERVICE BUREAU
n = 36



IN-HOUSE OPERATION
n = 386

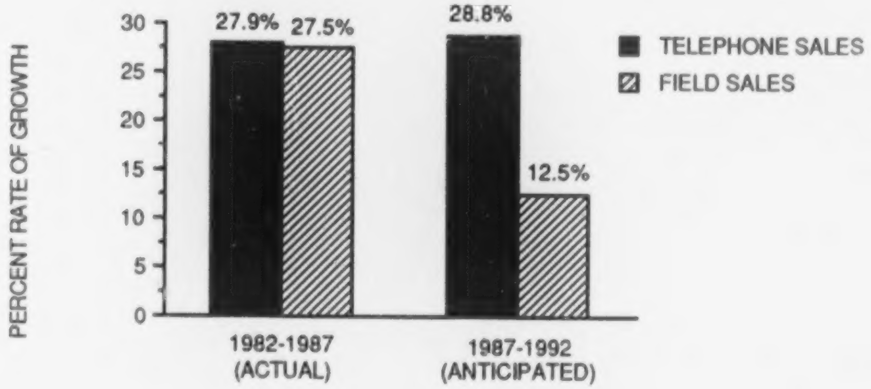


Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

GROWTH IN TELEPHONE SALES AND CUSTOMER SERVICE STAFF

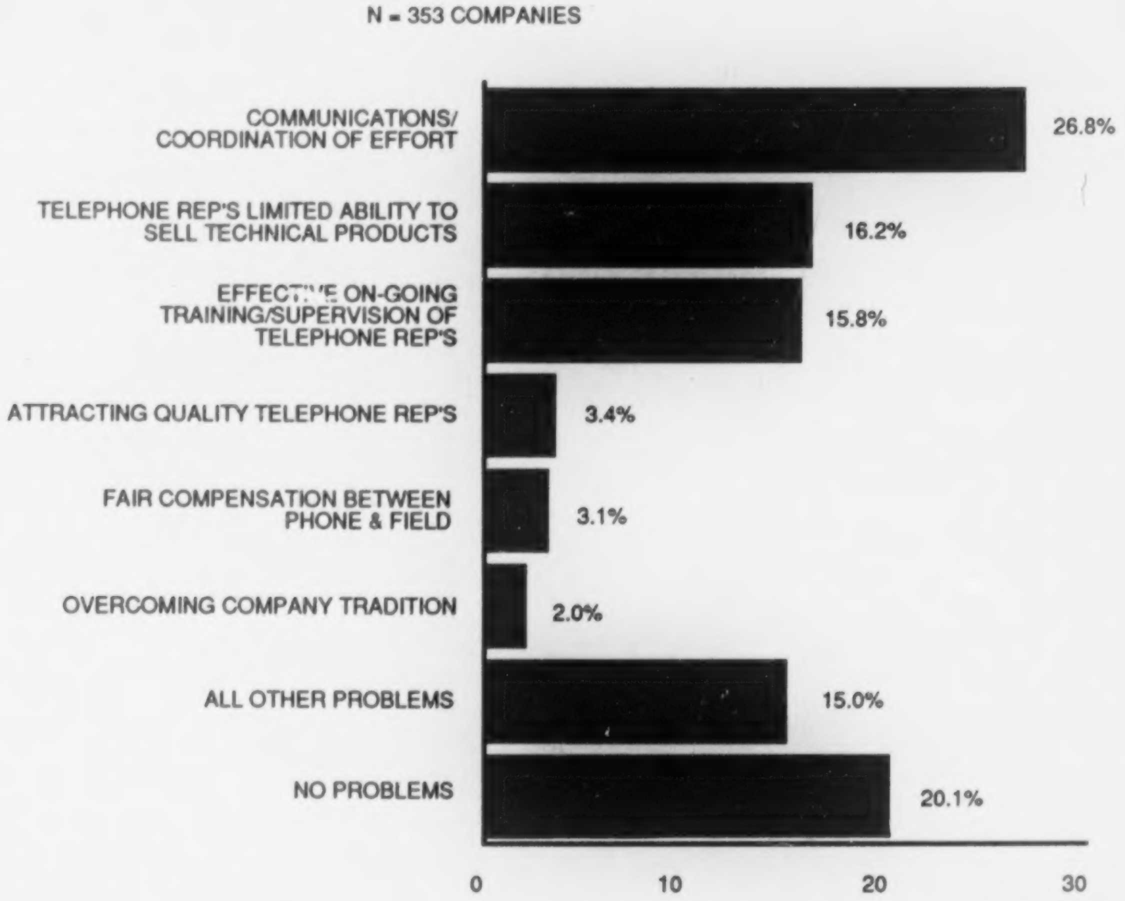
The Oetting & Company, Inc. Telephone Marketing Survey on how companies combine telephone sales and service with field sales was conducted by its subsidiary, Telephone Marketing Resources, Inc. in May 1987. The 211 sales and 212 marketing executives participating in the telephone interview survey were from companies ranging from under $1 million in annual sales volume to over $2 billion. The survey results showed that 353 or 83% of all respondents had internal telephone sales and/or service operations. All findings reported below are based on these 353 companies.

TELEPHONE AND FIELD REPRESENTATIVES



Source Oetting & Company, Inc and Business Marketing Magazine, 1987

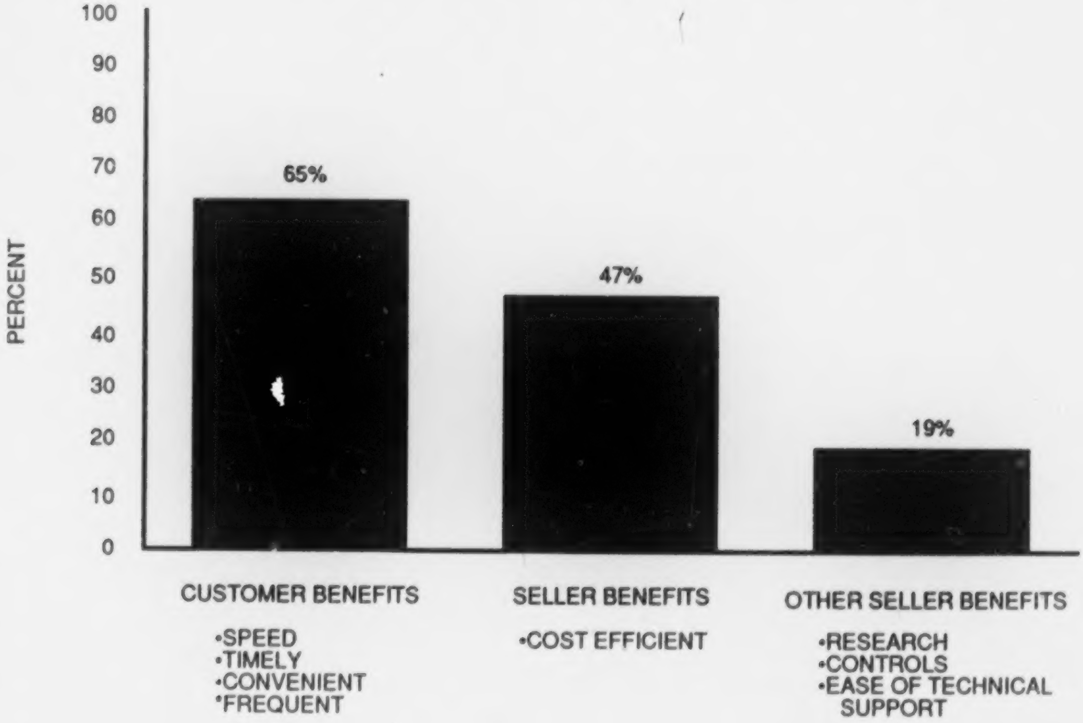
PROBLEMS TO BE RESOLVED IN INTEGRATING TELEPHONE AND FIELD SALES/SERVICE



Note: Numbers add to more than 100% due to multiple mentions.

Source: Oetting and Company, Inc. and Business Marketing Magazine

BENEFITS OF TELEPHONE SALES & SERVICE



Note: Adds to more than 100% due to multiple responses.

Source: Oetting & Company, Inc. and Business Marketing Magazine

The AT&T Telephone Shopper Study was conducted in April 1987 in three phases: telephone survey, follow-up mail survey and qualitative research which covered attitudes toward nonstore shopping, nonstore shopping behavior, nonshopping use of 800 service, relative comfort with ordering a variety of products using 800 service and 800 numbers for information and customer service.

The primary objective was to segment the market for 800 service based on consumer attitudes and usage.

The secondary objectives were: to describe consumer behavior in terms of use/nonuse, explore usage by stages of the buying cycle, associate behavior patterns with product or service categories, and to identify/describe psychographic or attitudinal factors that relate to different levels or types of use.

Consumers, all those who participated in the study, were described as either users or nonusers.

Users, those who ordered through an 800 number at least twice within the past year, tend to place a high priority on the value of their time, therefore convenience is a major concern. The catalog is their primary purchase stimulus, since they receive many and often save the most appealing for several months. They prefer 800 ordering to mail because of the greater speed of delivery. Virtually all have credit cards.

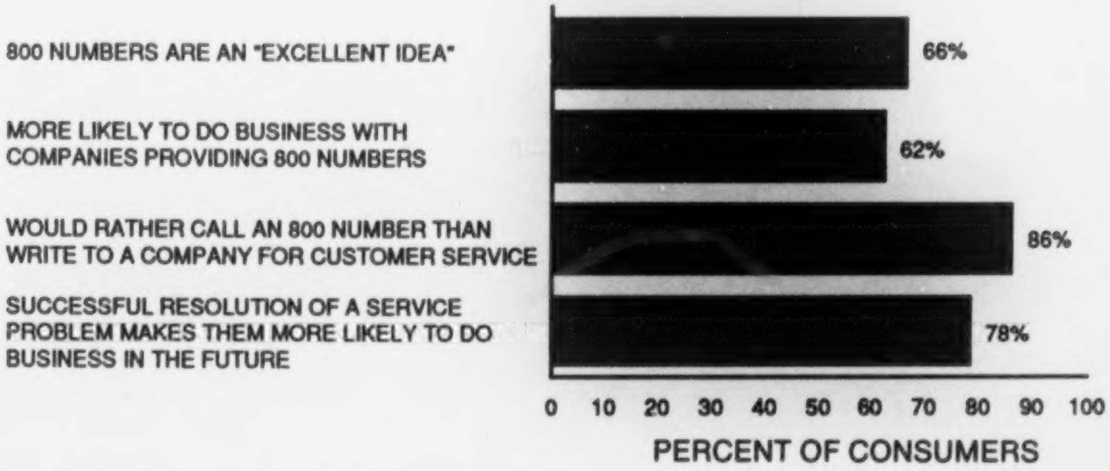
Nonusers are those who have not done any 800 ordering within the past year (about 1/2 have ordered previously). They are highly price sensitive, heavily sale and promotion oriented and they do a lot of comparison shopping. They're less interested in speed and convenience of their purchases; therefore they tend to do less nonstore shopping. They have credit cards but they are cautious about using them especially in nonstore shopping where they cannot see what they're ordering first.

The study's main finding was that users and nonusers have very different attitudes toward shopping yet they're both very receptive to 800 numbers for information and customer service. Therefore companies that make a real committment to building customer trust can convert nonusers to users.

Results of this study can be projected to all U.S. Households.

DEGREE OF CONSUMER INTEREST IN USING 800 NUMBERS AT OTHER PHASES OF THE BUSINESS CYCLE

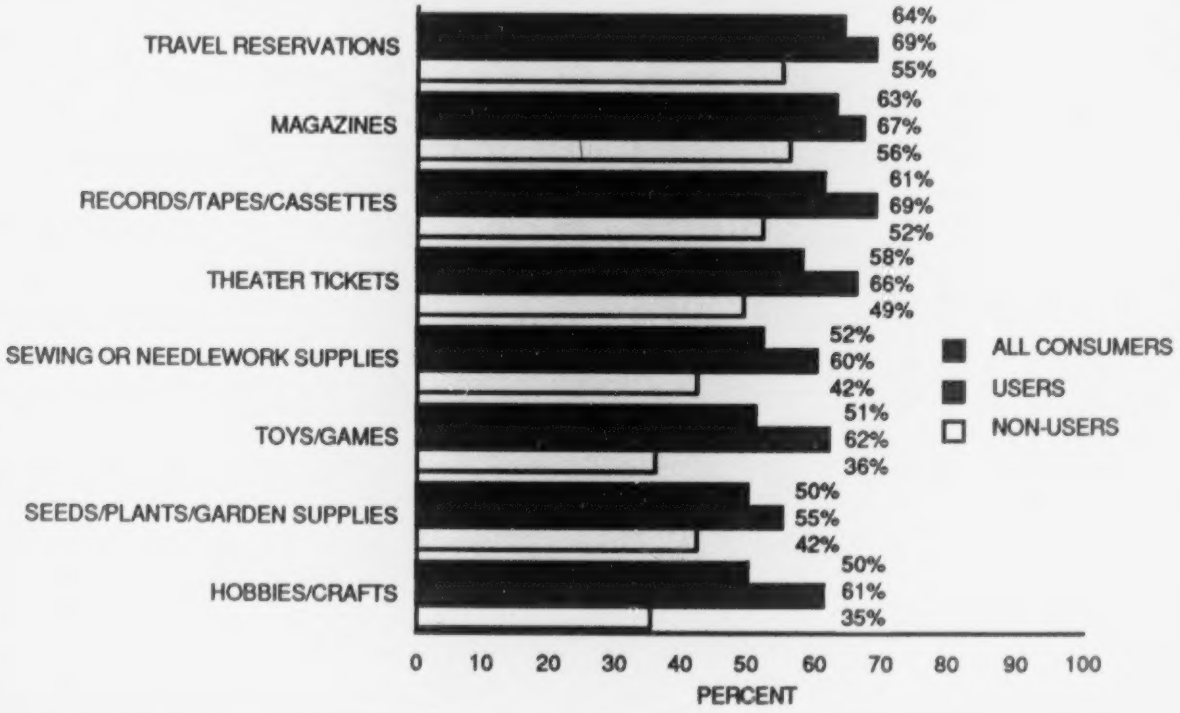
Consumers are extremely interested in 800 numbers for information and customer service.



Source: AT&T Telephone Shopper Study, 1987.

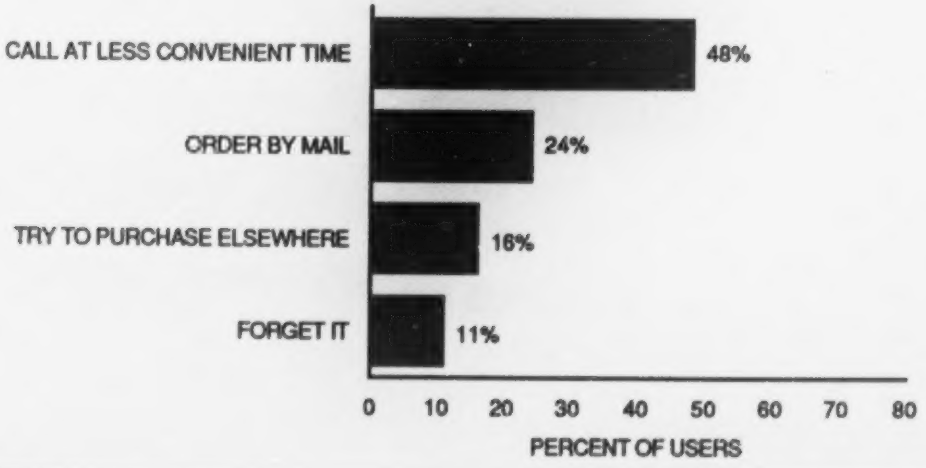
COMFORT WITH PURCHASING PRODUCTS BY 800 NUMBER

50% or more are comfortable ordering:



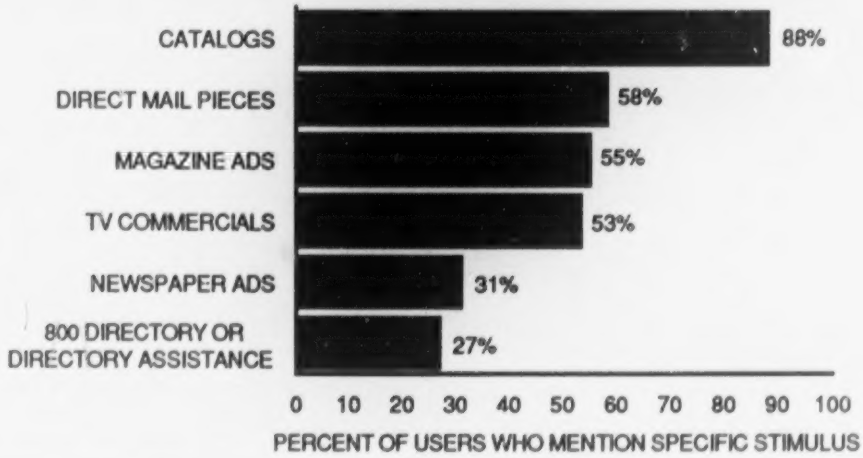
Source: AT&T Telephone Shopper Study, 1987

ACTION TAKEN IF UNABLE TO REACH 800 NUMBER



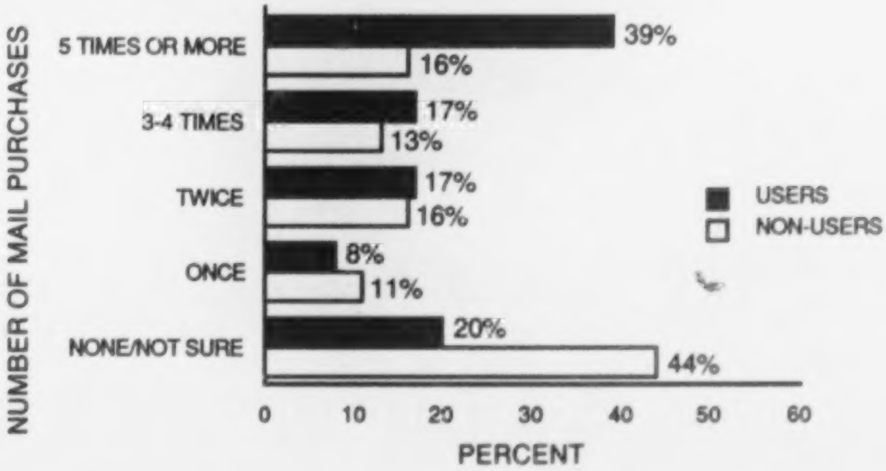
Source: AT&T Telephone Shopper Study, 1987.

PURCHASE STIMULI FOR 800 ORDERS PLACED BY USERS



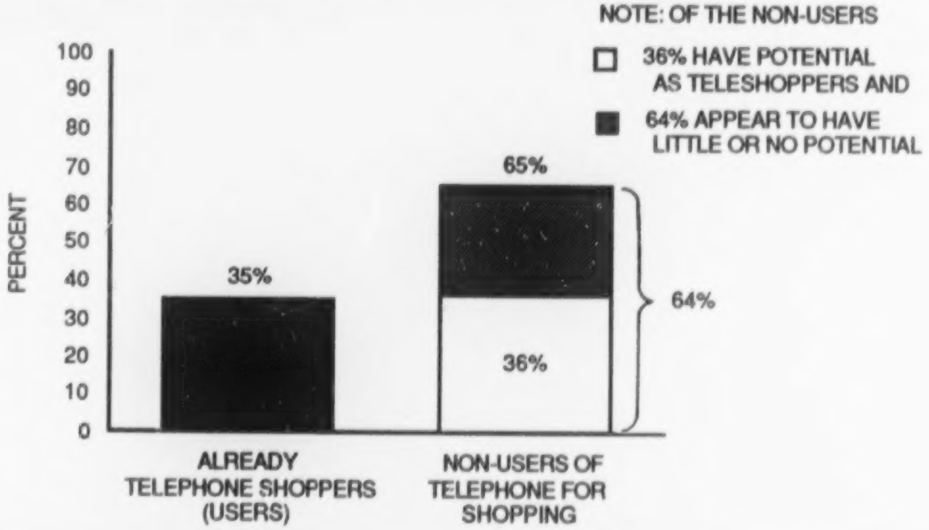
Source: AT&T Telephone Shopper Study, 1987

NUMBER OF MAIL PURCHASES WITHIN THE PAST YEAR



Source: AT&T Telephone Shopper Study, 1987.

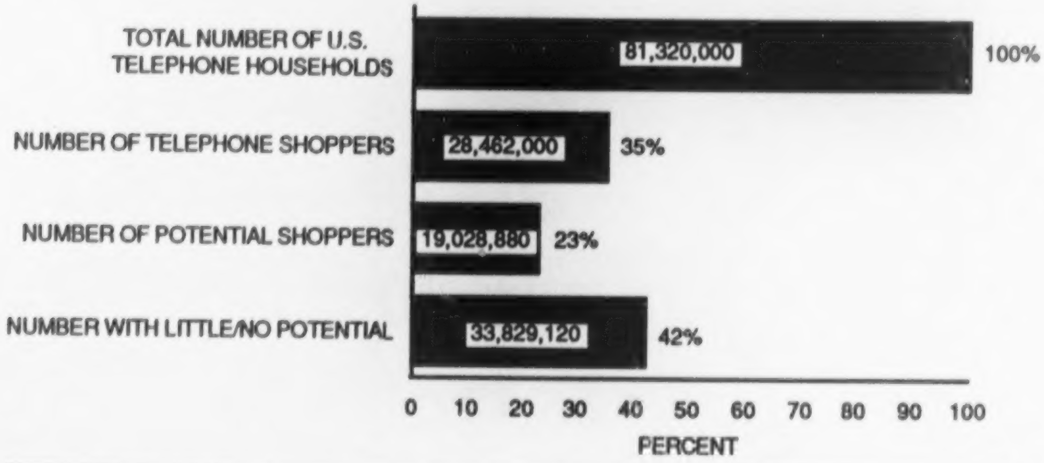
MARKET PERCENTAGE RECEPTIVE TO TELEPHONE SHOPPING



Source: AT&T Telephone Shopper Study, 1987

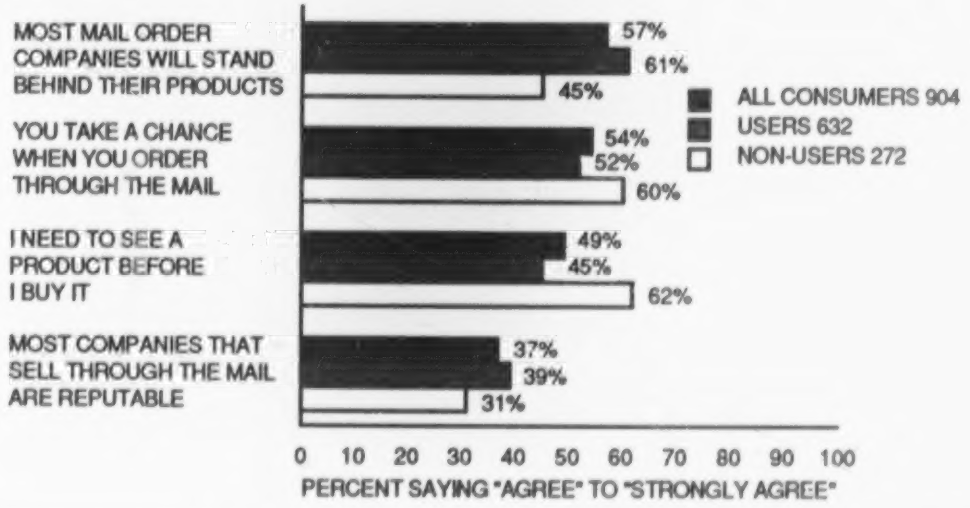
SIZE OF THE POTENTIAL MARKET FOR TELEPHONE SHOPPING

(58% of the total telephone households already are telephone shoppers or are potential telephone shoppers.)



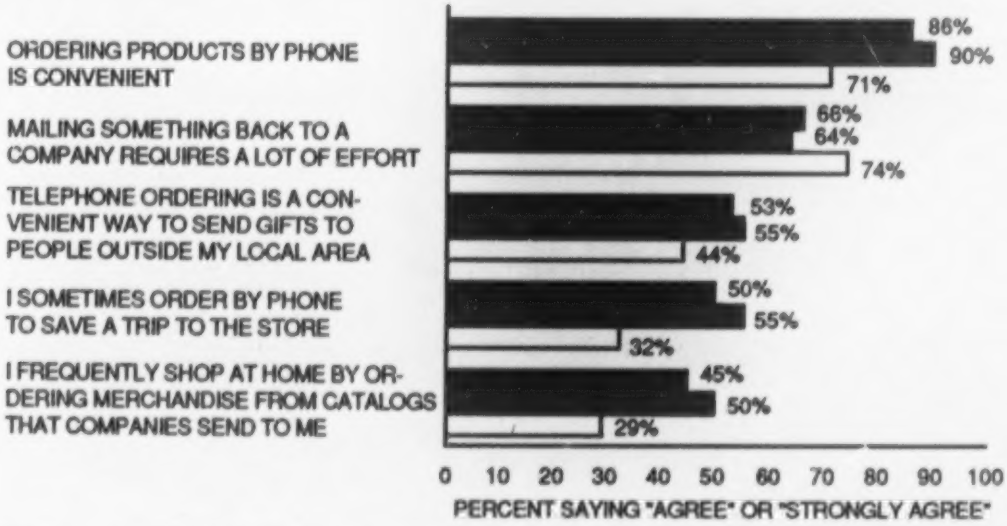
Source: AT&T Telephone Shopper Study, 1987

ATTITUDES TOWARD NON-STORE SHOPPING
QUALITY/REPUTABILITY



Source: AT&T Non-Store Shopping Behavior Study

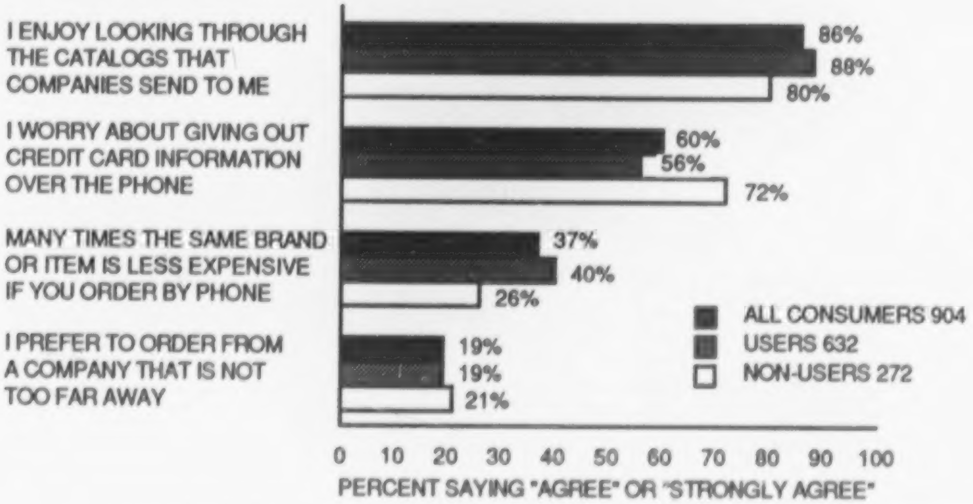
ATTITUDES TOWARD NON-STORE SHOPPING
CONVENIENCE/USAGE



Source: AT&T Non-Store Shopping Behavior Study

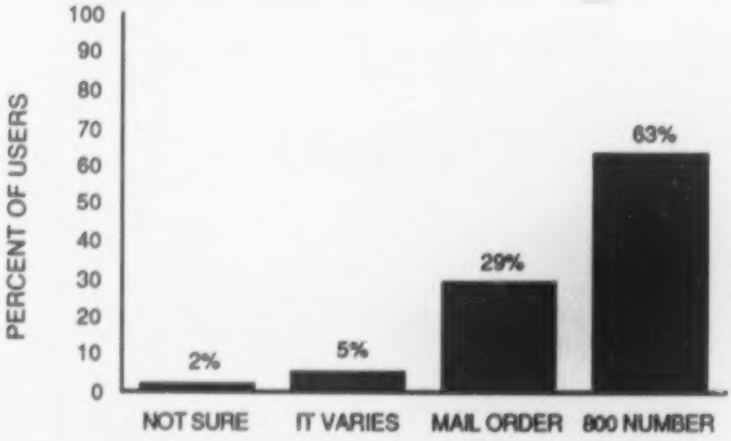
ATTITUDES TOWARD NON-STORE SHOPPING

OTHER ISSUES



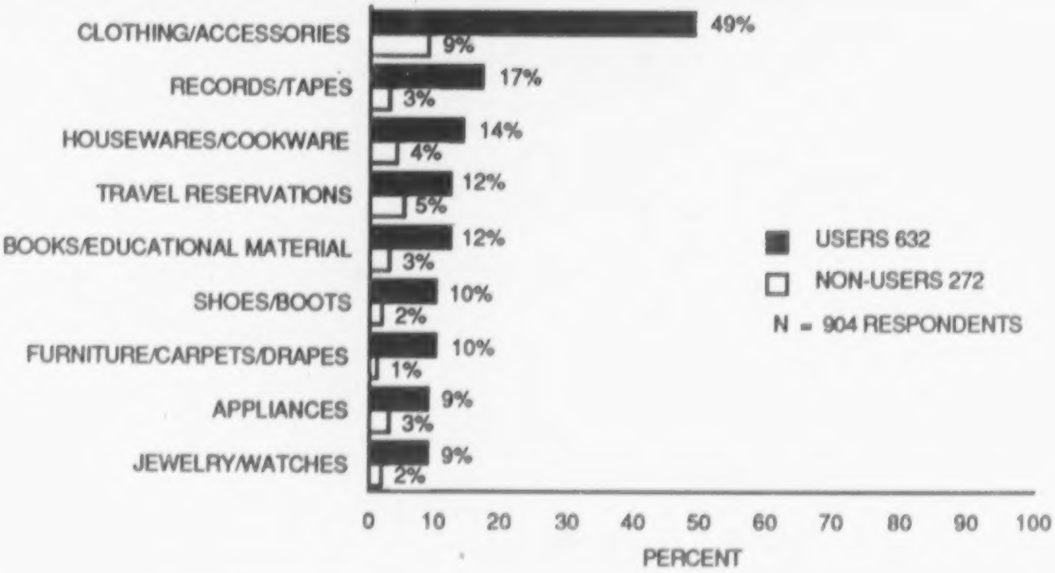
Source: AT&T Non-Store Shopping Behavior Study

NON-STORE SHOPPING METHOD PREFERRED BY USERS



Source: AT&T Telephone Shopper Study, 1987

PRODUCTS PURCHASED BY 800 NUMBER WITHIN THE PAST YEAR

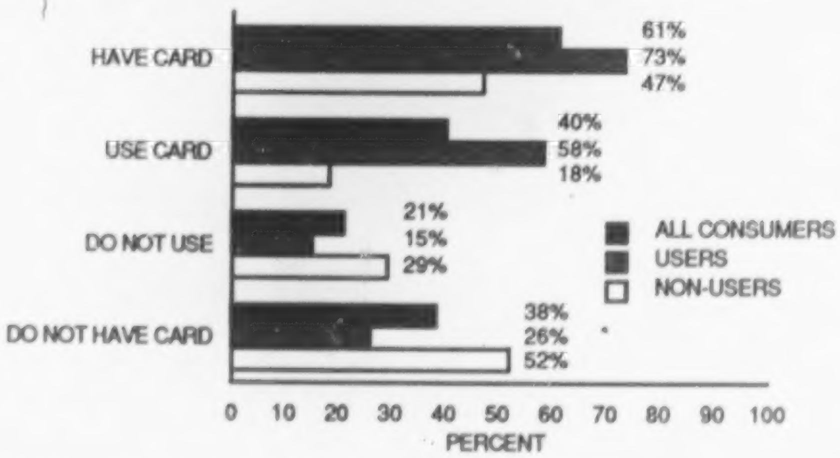


*All numbers are percentages

Source: AT&T Non-Store Shopping Behavior Study

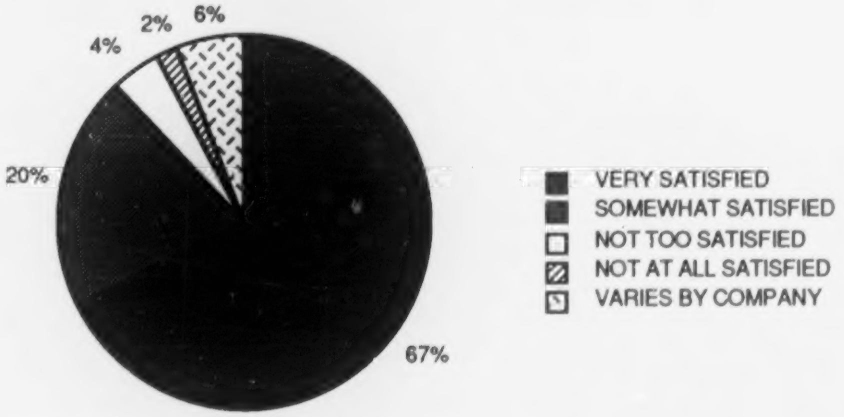
USE OF CREDIT CARDS FOR NON-STORE SHOPPING

(The likelihood of both having and using cards is greatest for upscale consumers with relatively heavy 800 and mail shopping activity.)



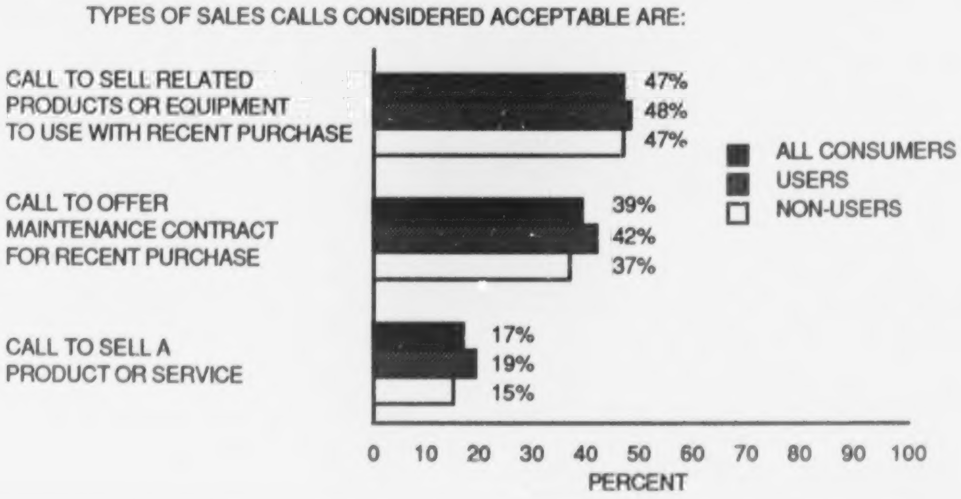
Source: AT&T Telephone Shopper Study, 1987

USER SATISFACTION WITH TELEPHONE SHOPPING



Source: AT&T Telephone Shopper Study, 1987.

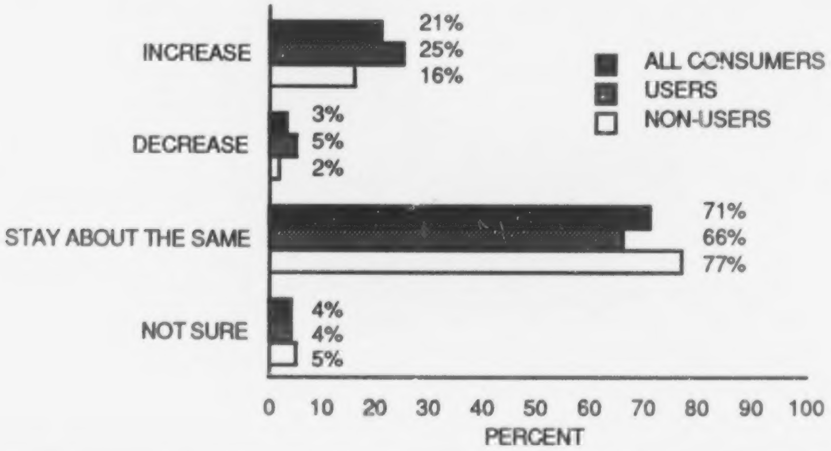
CONSUMER ACCEPTANCE OF OUTBOUND WATTS SALES CALLS



Source: AT&T Telephone Shopper Study, 1987.

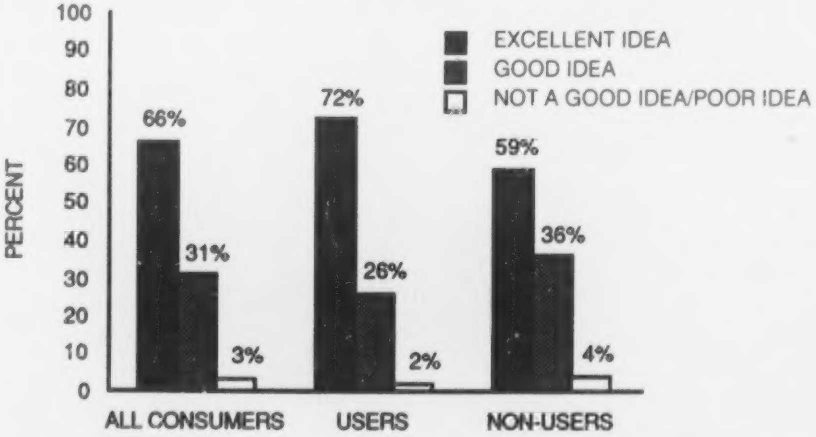
EXPECTED CHANGES IN DEGREE OF TELEPHONE SHOPPING

In the next year, shopping will:



Source: AT&T Telephone Shopper Study, 1987

CONSUMERS' RESPONSE TO "800" INFORMATION NUMBERS

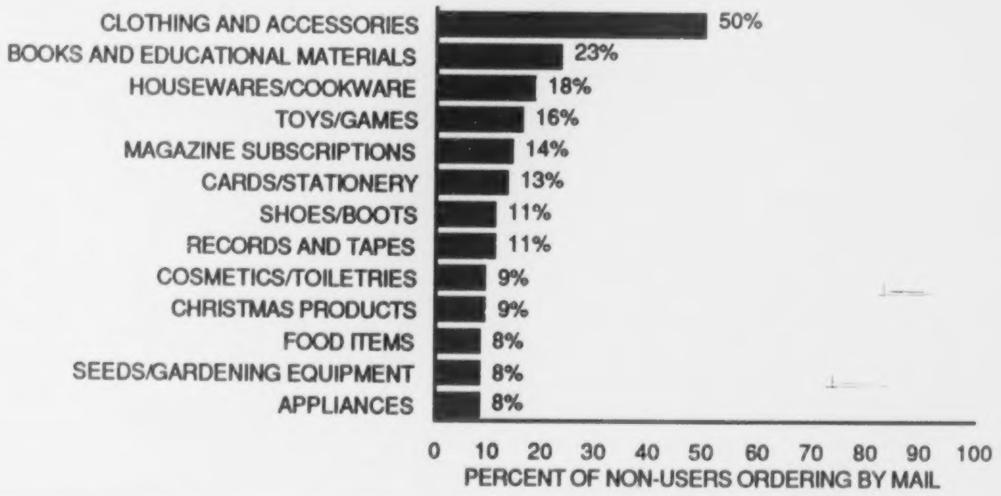


Source: AT&T Telephone Shopper Study, 1987

PRODUCTS PURCHASED BY NON-USERS BY MAIL

What products have you already ordered by mail?

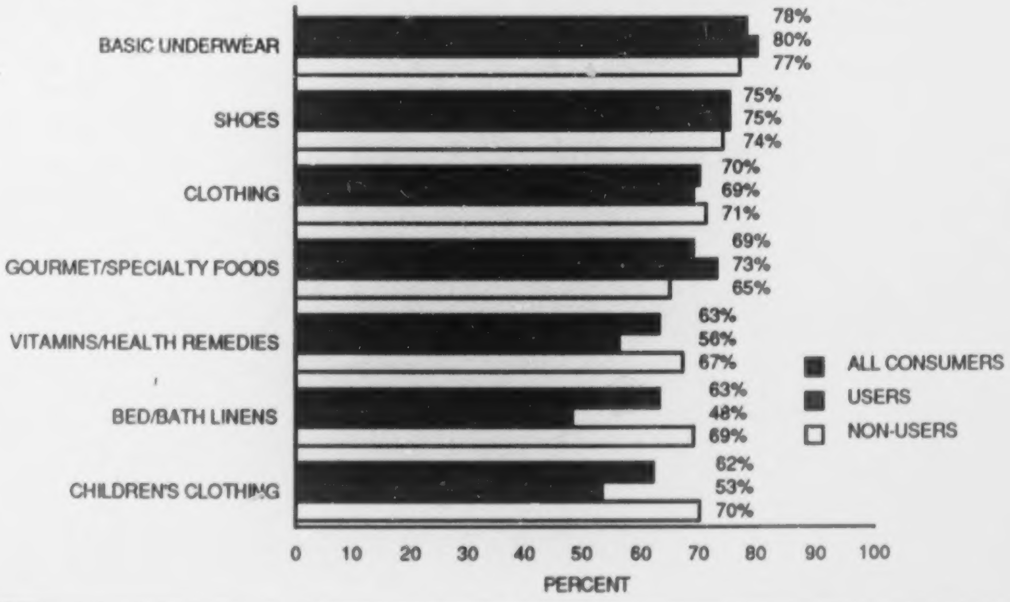
N = 230 respondents



Source: AT&T 800 Number Consumer Survey

PRODUCTS FOR WHICH AN INFORMATION NUMBER MAKES THE MOST DIFFERENCE

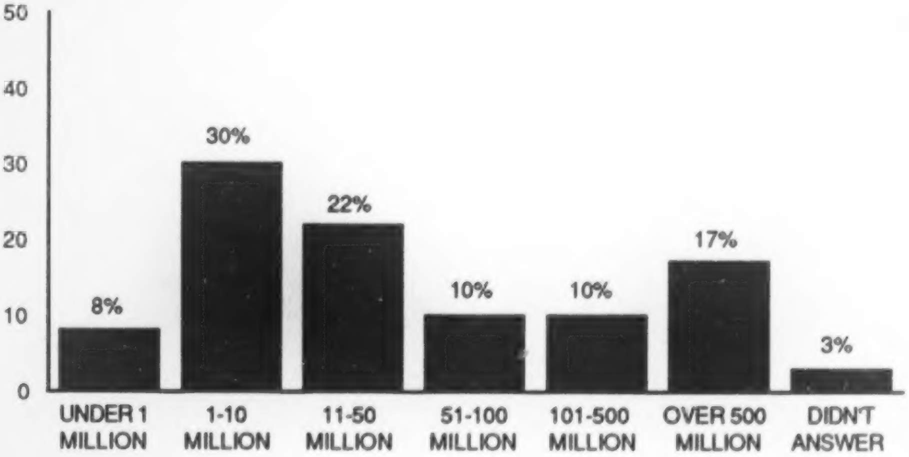
(AT LEAST 60% ARE MORE COMFORTABLE IN THESE CATEGORIES)



Source: AT&T Telephone Shopper Study, 1987

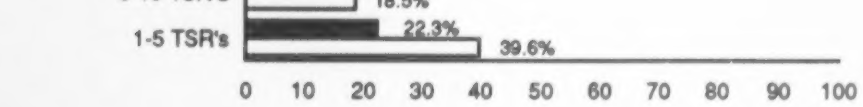
ANNUAL SALES VOLUME OF TELEMARKETING CO.'S

The Sixth Annual Telemarketing Compensation Update was conducted by Telemarketing Magazine among 5000 telemarketing companies. A 6% response rate was achieved. The study is designed to give a better idea of compensation practices and the demographic breakdown of the telemarketing industry.



Source: Telemarketing Magazine, 1988

NUMBER OF EMPLOYEES OF TELEMARKETING CENTERS



Source: Telemarketing Magazine, 1988

SERVICE BUREAUS' VIEWS RE: CIRCUMSTANCES WHERE USE OF PRE-RECORDINGS WOULD BE ADVISABLE

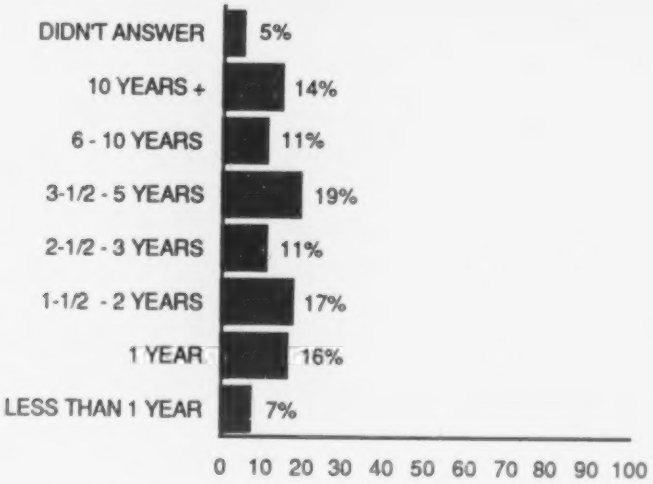
VIEWS ON USE OF PRE-RECORDINGS	TOTAL	TYPE OF OPERATION		YEARS IN BUSINESS		SIZE NUMBER OF WORKSTATIONS	
		OUT ONLY	OUT/IN	LESS THAN 6 YRS	6+ YRS	LESS THAN 100	100+
TOTAL	64 100%	28 100%	36 100%	32 100%	32 100%	32 100%	32 100%
FOR SPECIFIC INFORMATIONAL PURPOSES	3 5%	1 4%	2 6%	1 3%	2 6%	3 9%	–
TO INFORM PEOPLE OF SPECIAL INFORMATION SUCH AS PRODUCT DEFECT/ PRODUCT RECALL	8 13%	4 14%	4 11%	4 13%	4 13%	3 9%	5 16%
COLLECTIONS	2 3%	1 4%	1 3%	–	2 6%	–	2 6%
TO EXISTING CLIENTS/ CUSTOMERS ONLY	3 5%	1 4%	2 6%	1 3%	2 6%	–	3 9%
ON INCOMING CALLS ONLY	2 3%	1 4%	1 3%	1 3%	1 3%	2 6%	–
IF INTRODUCED BY LIVE PERSON	3 5%	1 4%	2 6%	–	3 9%	1 3%	2 6%
DON'T KNOW OF ANY/NONE	26 41%	14 50%	12 33%	13 41%	13 41%	13 41%	13 41%
NEVER/NO CIRCUMSTANCE/ NONE WHATSOEVER	11 17%	3 11%	8 22%	8 25%	3 9%	4 13%	7 22%

SERVICE BUREAUS' VIEWS ON USING PRE-RECORDINGS FOR SELLING OR MARKETING

VIEWS ON USE OF PRE-RECORDINGS	TOTAL	TYPE OF OPERATION		YEARS IN BUSINESS		SIZE NUMBER OF WORKSTATIONS	
		OUT ONLY	OUT/IN	LESS THAN 6 YRS	6+ YRS	LESS THAN 100	100+
TOTAL %	64 100%	28 100%	36 100%	32 100%	32 100%	32 100%	32 100%
HATE IT/AWFUL/TERRIBLE/ OBNOXIOUS PRACTICE	10 16%	7 25%	3 8%	6 19%	4 13%	6 19%	4 13%
HURTS THE INDUSTRY/GIVES INDUSTRY BAD NAME	9 14%	6 21%	3 8%	6 19%	3 9%	5 16%	4 13%
OPPOSE IT/NEGATIVE TOWARD IT/NOT IN FAVOR OF IT	17 27%	6 21%	11 31%	10 31%	7 22%	9 28%	8 25%
SHOULD BE BANNED/ OUTLAWED	4 6%	2 7%	2 6%	1 3%	3 9%	2 6%	2 6%
OFFENDS PEOPLE/OFFENSIVE TO CONSUMER	11 17%	6 21%	5 14%	6 19%	5 16%	4 13%	7 22%
TOO IMPERSONAL/ ELIMINATES PERSONAL CONTACT WHICH IS OUR SPECIALTY	16 25%	6 21%	10 28%	5 16%	11 34%	6 19%	10 31%
INEFFECTIVE/DOESN'T WORK	5 8%	2 7%	3 8%	2 6%	3 9%	1 3%	4 13%
OK FOR CERTAIN APPLICATIONS	3 5%	–	3 8%	1 3%	2 6%	1 3%	2 6%
NO FEELING OR OPINION ABOUT IT	2 3%	1 4%	1 3%	1 3%	1 3%	2 6%	–

Source: Schlenker Research Services, "Telemarketing Intelligence," 1987.

NUMBER OF YEARS A COMPANY HAS CONDUCTED TELEMARKETING



Source: Telemarketing Magazine, 1988

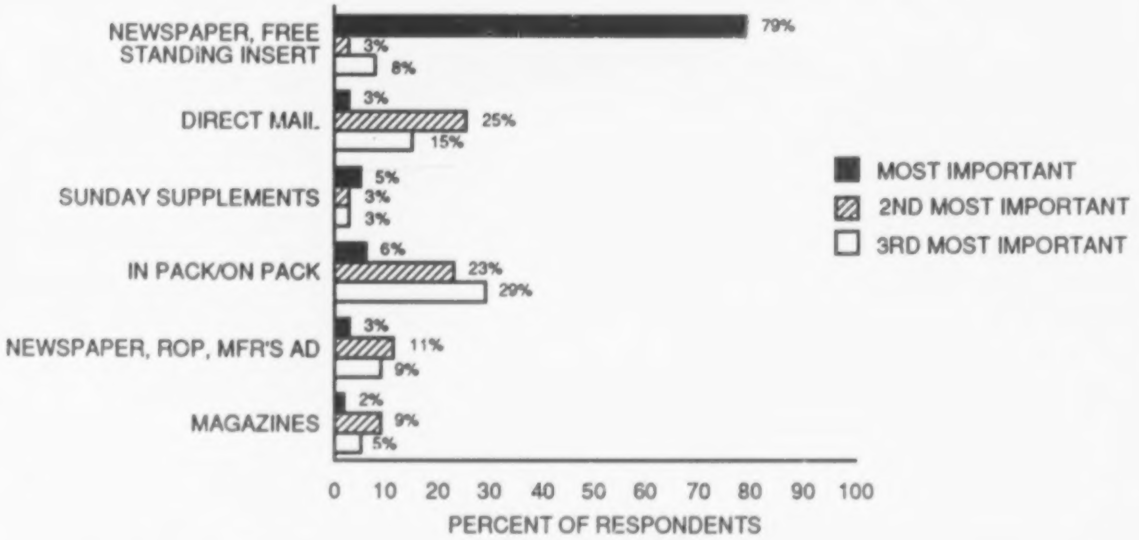
• PRINT

COSTS

TRENDS

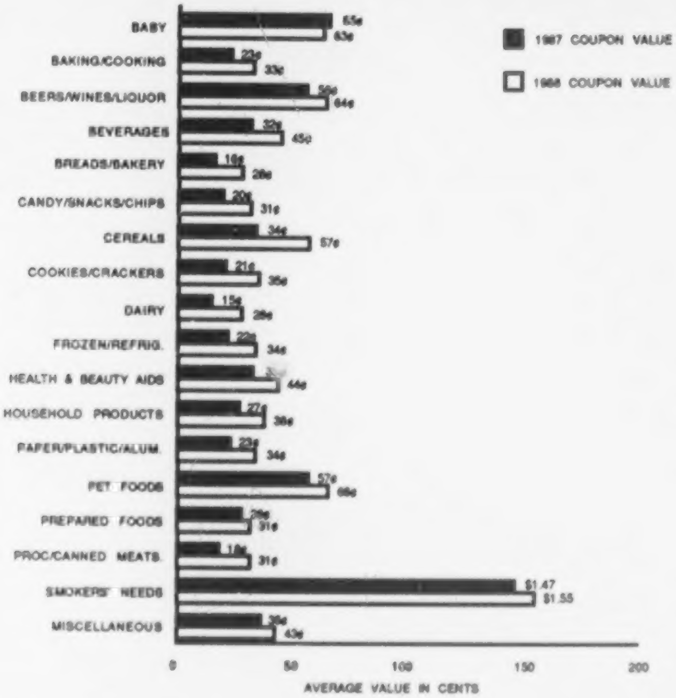
DOLLAR IMPORTANCE OF LEADING TYPES OF COUPON MEDIA VEHICLE USED IN 1988

The Donnelley Marketing Eleventh Annual Survey of Promotional Practices was conducted by mail questionnaire during July 9–July 18 among 137 marketing executives who manage a large portion of all sales promotion for nondurable goods and services in the United States. A 47.4% response rate was achieved.



Source: Donnelley Marketing Eleventh Annual Survey of Promotional Practices, 1988

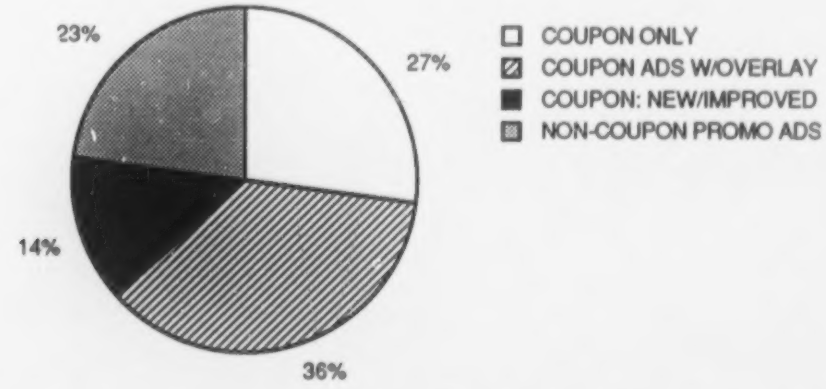
AVERAGE VALUE (CENTS) OF COUPONS REDEEMED BY CATEGORY



Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1989

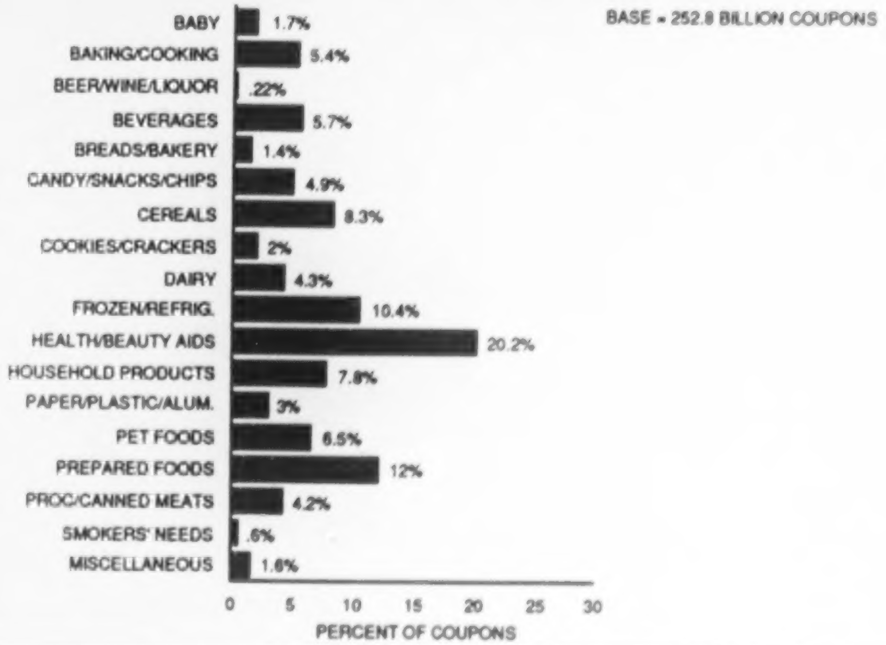
BREAKOUT OF ALL PROMOTIONAL ADS: 1988

37,748 different ads noted



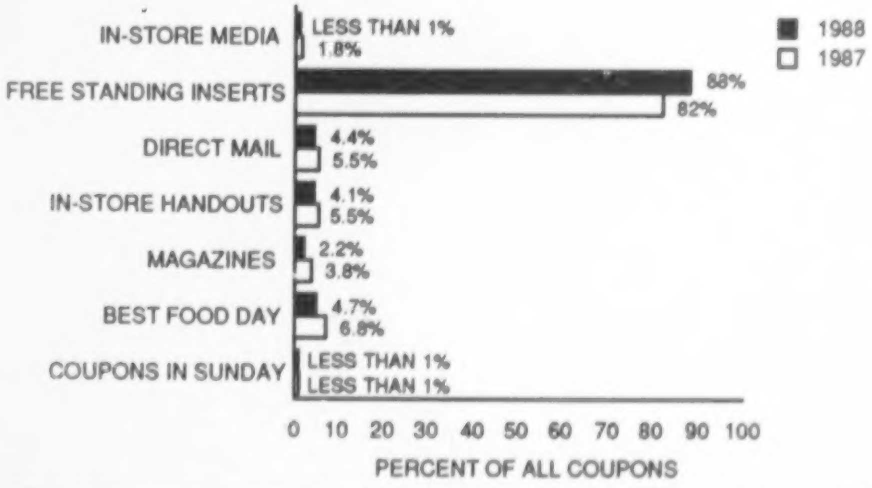
Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1989

PERCENT OF COUPONS DROPPED BY CATEGORY: 1988



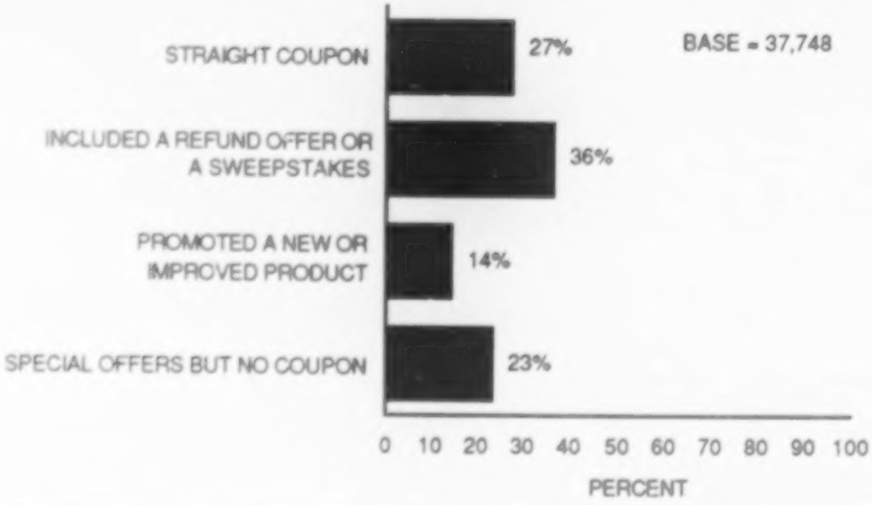
Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1989

METHOD OF DISTRIBUTION FOR COUPONS



Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1989

PROMOTIONAL ADS



Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1989

1987 COUPONS REDEEMED BY MEDIA IN MILLIONS (000,000)

MEDIA	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**	**Total**
Comics	0	0	0	0	0	0.1	0	0	0	0.1	0.6	0	0.8
% of month	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.01%)	(0.00%)	(0.00%)	(0.00%)	(0.01%)	(0.06%)	(0.00%)	(0.01%)
Direct Mail	201.3	54.1	184.9	57.8	42.9	59.9	43.4	16.9	114.3	130.2	98.7	11.4	1015.8
% of mocth	(24.31%)	(9.12%)	(18.82%)	(8.10%)	(4.92%)	(7.42%)	(8.03%)	(2.32%)	(15.87%)	(14.89%)	(10.36%)	(3.48%)	(11.36%)
Free Standing Inserts	592.4	463.8	727.9	597.7	779.7	683	460	685.2	554	673.5	794.7	276.4	7287.7
% of month	(71.53%)	(78.15%)	(74.08%)	(83.63%)	(89.35%)	(84.57%)	(85.15%)	(94.06%)	(76.93%)	(77.01%)	(83.45%)	(84.29%)	(81.50%)
Magazines	3	26.4	21.5	6.4	22.9	27	8.9	6.5	28.9	28	16.6	21.1	217.2
% of month	(0.36%)	(4.45%)	(2.19%)	(0.90%)	(2.62%)	(3.34%)	(1.65%)	(0.89%)	(4.01%)	(3.20%)	(1.74%)	(6.43%)	(2.43%)
Sunday Magazines	0.7	1	1	0.4	0.1	0.2	0.1	0.2	0.6	0.1	0.1	0	4.5
% of month	(0.08%)	(0.17%)	(0.10%)	(0.06%)	(0.01%)	(0.02%)	(0.02%)	(0.03%)	(0.08%)	(0.01%)	(0.01%)	(0.00%)	(0.05%)
Best Food Day	30.8	40.9	47.3	34.1	27	24.7	27.8	19.7	22.3	27	22.4	19	343
% of month	(3.72%)	(6.89%)	(4.18%)	(4.78%)	(3.09%)	(3.06%)	(5.15%)	(2.70%)	(3.10%)	(3.09%)	(2.35%)	(5.79%)	(3.84%)
In Store	0	7.3	0	18.2	0	12.7	0	0	0	15.7	19.2	0	73.1
% of month	(0.00%)	(1.23%)	(0.00%)	(2.55%)	(0.00%)	(1.57%)	(0.00%)	(0.00%)	(0.00%)	(1.80%)	(2.02%)	(0.00%)	(0.82%)
Total	828.2	593.5	982.6	714	872.16	807.6	540.2	728.5	720.1	874.6	952.3	327.9	8942.1
% of year	(9.26%)	(6.64%)	(10.99%)	(7.98%)	(9.76%)	(9.03%)	(6.04%)	(8.15%)	(8.05%)	(9.78%)	(10.65%)	(3.67%)	(100.00%)

Source: Summary Scan! A Division of the Advertising Checking Bureau, Inc. 1988

TYPES OF COUPON MEDIA USED

5-YEAR COMPARISON OF USAGE LEVELS	% OF RESPONDENTS IN EACH YEAR 1988	1987	1986	1985	1984
1. NEWSPAPER, F.S.I.	91%	94%	93%	92%	88%
2. IN PACK/ON PACK	89	94	90	84	86
3. DIRECT MAIL	78	82	78	86	82
4. NEWSPAPER, ROP, MFR'S AD	69	74	73	71	75
5. NEWSPAPER, ROP, CO-OP	71	72	79	79	74
6. MAGAZINES	60	65	67	67	63
7. NEWSPAPER RETAILER IN-AD	57	57	45	51	38
8. SUNDAY SUPPLEMENTS	48	49	40	55	48

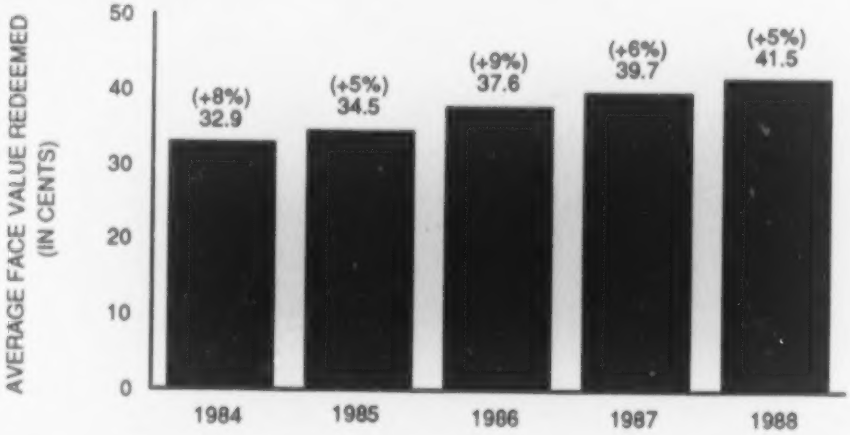
Source: Donnelley Marketing Annual Surveys of Promotional Practices for 1984, 1985, 1986, 1987 and 1988

COUPONS DROPPED BY MEDIA
(IN MILLIONS)

MEDIA	January	February	March	April	May	June	July	August	September	October	November	December	Total
Comics	0	0	0	0	13.7	16.8	0	0	2	4.4	0	0	36.9
% of month	(0.00%)	(0.00%)	(0.00%)	(0.00%)	(0.06%)	(0.07%)	(0.00%)	(0.00%)	(0.01%)	(0.02%)	(0.00%)	(0.00%)	(0.01%)
Direct Mail	3492.7	917.6	1253.5	607.6	806.6	522.6	800.7	77.5	993	504.5	1083.8	97	11157.1
% of month	(14.34%)	(5.03%)	(4.92%)	(3.84%)	(3.40%)	(2.20%)	(4.72%)	(0.38%)	(4.85%)	(1.73%)	(4.72%)	(0.85%)	(4.41%)
Free Standing Inserts	19925.1	15617	21714.4	14168.8	21263.2	21193	15210.7	18988.4	18053.5	27123.2	19700.8	9630.8	222588.9
% of month	(81.83%)	(85.57%)	(85.16%)	(89.65%)	(89.56%)	(89.22%)	(89.70%)	(92.50%)	(88.18%)	(93.11%)	(85.77%)	(84.44%)	(88.03%)
Magazines	160	554.5	716.7	347.6	557	518	285.9	266.6	489.2	461.2	881	462.7	5700.4
% of month	(0.66%)	(3.04%)	(2.81%)	(2.20%)	(2.35%)	(2.18%)	(1.69%)	(1.30%)	(2.39%)	(1.58%)	(3.84%)	(4.06%)	(2.25%)
Sunday Magazines	3.9	3	3.8	3.8	0	56.1	31.3	6.6	58.1	25.7	18.8	25.5	236.6
% of month	(0.02%)	(0.02%)	(0.01%)	(0.02%)	(0.00%)	(0.24%)	(0.18%)	(0.03%)	(0.28%)	(0.09%)	(0.08%)	(0.22%)	(0.09%)
Bnst Food Day	767.1	1028.4	1602.8	676.8	956	1176.4	628.1	990.3	878.2	855.8	1029.1	1189.1	11778.1
% of month	(3.15%)	(5.64%)	(6.29%)	(4.28%)	(4.03%)	(4.95%)	(3.70%)	(4.82%)	(4.29%)	(2.94%)	(4.48%)	(10.43%)	(4.66%)
In Store	0	129.5	206.2	0	145.2	270.1	0	197.8	0	154.5	256.8	0	1360.1
% of month	(0.00%)	(0.71%)	(0.81%)	(0.00%)	(0.61%)	(1.14%)	(0.00%)	(0.96%)	(0.00%)	(0.53%)	(1.12%)	(0.00%)	(0.54%)
Total	24348.8	18250	25497.4	15804.6	23741.7	23753	16956.7	20527.2	20474	29129.3	22970.3	11405.1	252858.1
% of year	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)

Source: Summary Scan! A Division of the Advertising Checking Bureau, Inc. 1989

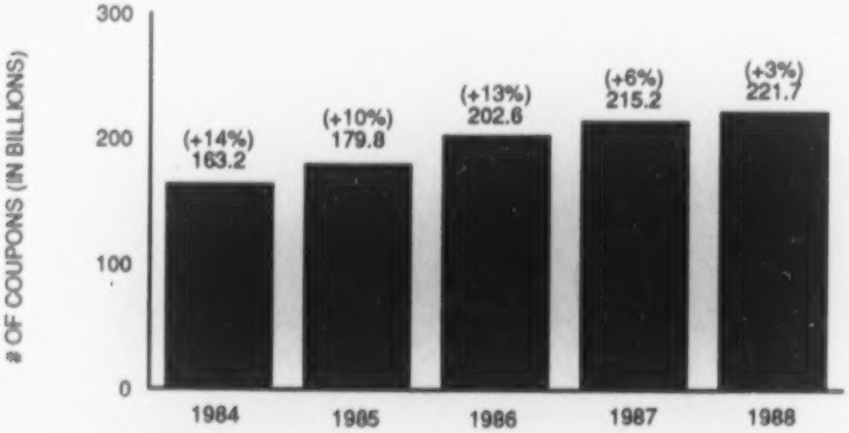
TREND IN AVERAGE FACE VALUE REDEEMED IN CENTS



Source: Manufacturers Coupon Control Center, 1989

TRENDS IN COUPON DISTRIBUTION

In 1988, total coupon distribution on all products increased 3%, rising from 215.2 billion coupons in 1987 to 221.7 billion. During the past five years, coupon distribution has increased 36%, from a total of 163.2 billion coupons in 1984.



Source: Manufacturers Coupon Control Center, 1989

COUPON ANALYSIS ASSUMPTIONS

Publication	100% Circulation (Million)	% Response	Resultant Coupons to 100% Circulation (000)	Full Page Space Cost (000)
I. Newspapers				
Best Food Day				
Valassis B/W Coop	40.0	2.2	880	1 cpn = 150
Sunflower	40.0	2.2	880	1 cpn = 150
B & W "Solo"	25.0	2.1	525	300 lines = 124
Sunday				
Comics	38.0	0.5	190	½ page 315
F.S.I.	48.3	4.0	1932	Full pg. ($5.43) = 262 ½ pg. ($2.89) = 136
Parade	30.9	1.8	556	296
Sunday Magazine Group	20.9	1.8	376	217
U.S.A. Weekend	14.0	1.8	252	126
II. Direct Mail				
Act Now	17.0	7.0	1190	315
ADVO Network Mail	42.7	9.0	3843	18
Carol Wright Except Months listed below.	35.0	9.0	3150	490
Jan. Apr. Sept. Oct.	45.0	9.0	4050	630
Hispanic	2.8	7.0	196	73
Larry Tucker	15.0	14.0	2100	(E size ad) 300
New Age	12.2	7.0	854	60
P&G Direct	26.0	9.0	2340	392
Teen Life	2.8	7.0	196	63
Red Letter Day	30	9.0	2700	(E size ad) 300

Source Summary Scan! Division of the Advertising Checking Bureau, Inc. 1988

VOLUME OF INSERTS IN SUNDAY/DAILY NEWSPAPERS

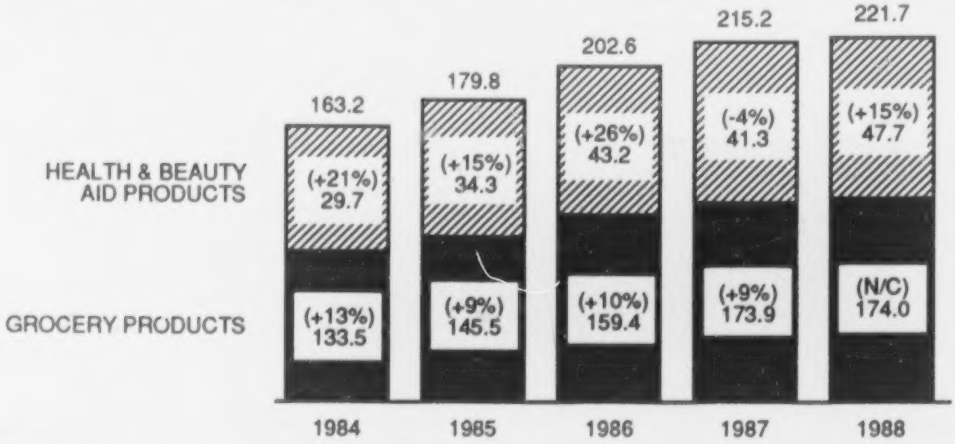
YEAR	FREE-STANDING INSERTS (CIRCULATION IN BILLIONS)	PERCENTAGE OF GROWTH ANNUALLY	FREE STANDING INSERT REVENUE*	PERCENTAGE OF GROWTH ANNUALLY
1975	15.800	2.8	–	
1980	27.733	2.2	$2,032,453,000	–
1981	28.708	3.5	$2,288,542,000	12.6
1982	29.966	4.4	$2,517,396,000	10.0
1983	35.727	19.2	$3,095,000,000	22.9
1984	41.265	15.5	$3,691,407,000	19.3
1985	45.379	10.0	$4,178,673,000	13.2
1986	51.503	13.5	$4,868,154,000	16.5
1987	54.778	6.4	$5,435,780,000	11.7
1988	56.428	3.0	$5,888,091,000	8.3

*Based on a 12-page tabloid and includes printing and inserting. A ratio of 55% printing and 45% inserting has been used. Years prior to 1982 have used a 50/50 ratio.

Source Newspaper Advertising Bureau, Inc., 1989

TRENDS IN COUPON DISTRIBUTION
BILLIONS OF COUPONS

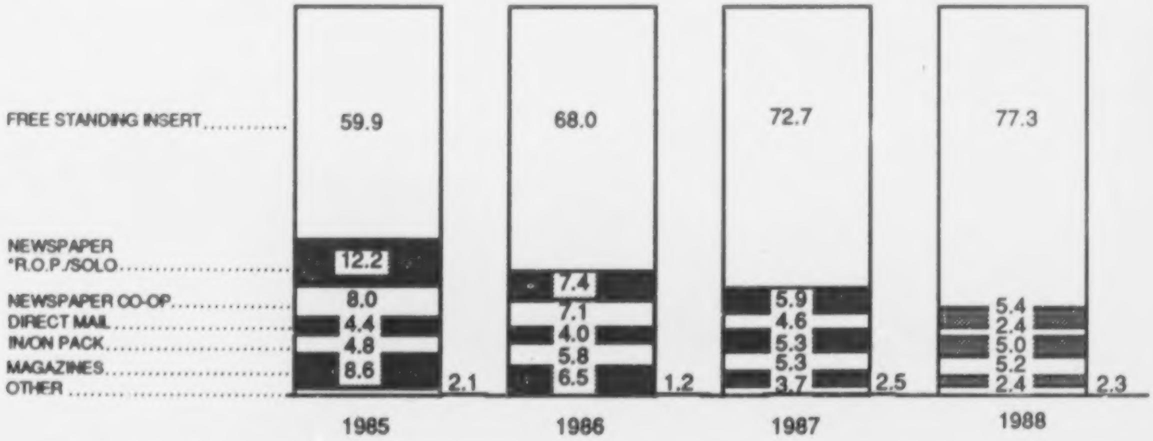
Coupon distribution on grocery products reflected no growth in 1988 to 174.0 billion coupons. Coupons issued on grocery products represented 78% of all activity in 1988. This category includes promotions on food and household care items.



Source: Manufacturers Coupon Control Center, 1989

PERCENT OF DISTRIBUTION BY MEDIA

Once again, free standing inserts gained share in the total number of coupons distributed. This medium increased from a share of 72.7% in 1987 to 77.3% in 1988. All other media declined in share between 1987 and 1988.



*R.O.P. = Run of Paper/Press—usually refers to color printing which can be placed on any page of a newspaper or magazine.

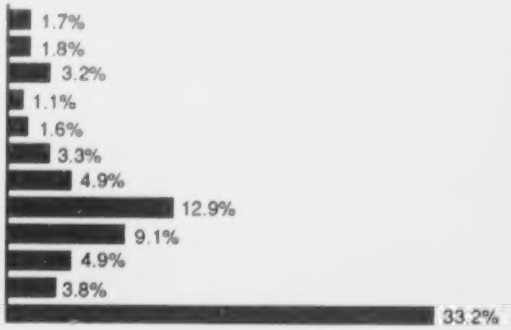
Source: Manufacturers Coupon Control Center, 1988.

COUPON REDEMPTION RATES BY MEDIA

GROCERY PRODUCTS

In reviewing average coupon redemption rates, it is important to recognize that there is a range of redemption rates above and below the media average. A statistical measure called the middle-half range has been included to provide some indication of the variability of the data. The middle-half range includes the middle 50% of all offers in each medium, but excludes the 25% highest redeeming and the 25% lowest redeeming offers.

For example, FSI-average redemption rate of 3.2%. Middle-half range of 1.7%–5.1%. This means the middle 50% of FSI coupons had a redemption rate of between 1.7%–5.1%.

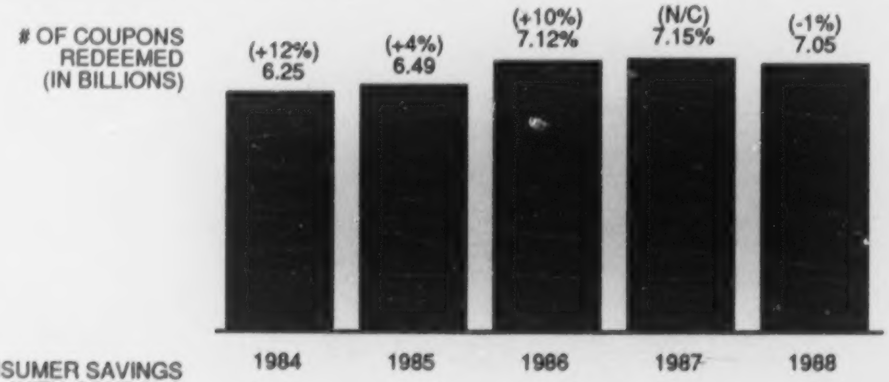


MEDIA		AVERAGE REDEMPTION RATE	MIDDLE-HALF RANGE
DAILY NEWSPAPER	ROP SOLD	1.7%	.4 - 2.6%
	CO-OP (ALL)	1.8%	.4 - 2.1%
SUNDAY NEWSPAPER	FSI	3.2%	1.7 - 5.1%
	SUPPLEMENT	1.1%	.4 - 1.9%
MAGAZINES	ON-PAGE	1.6%	.7 - 2.3%
	POP-UP/INSERT	3.3%	1.8 - 5.0%
DIRECT MAIL		4.9%	2.9 - 8.1%
IN/ON-PACK	REGULAR IN-PACK	12.9%	5.3 - 21.1%
	REGULAR ON-PACK	9.1%	3.7 - 24.6%
	IN-PACK CROSS RUFF	4.9%	1.8 - 7.8%
	ON-PACK CROSS RUFF	3.8%	1.2 - 6.4%
INSTANT ON-PACK		33.2%	16.5 - 56.0%

Source: Manufacturers Coupon Control Center, 1989

TRENDS IN COUPON REDEMPTION

A total of 7.05 billion coupons were redeemed by consumers in 1988, a slight decrease over 1987. Since 1984, coupon redemption has increased 13% from 6.25 billion.



	1984	1985	1986	1987*	1988
CONSUMER SAVINGS WITH COUPONS ($ BILLIONS)	$2.06	$2.24	$2.68	$2.84	$2.93

*Restated based on latest results.

Source: Manufacturers Coupon Control Center, 1989

• TELEVISION

TRENDS

NATIONAL GROWTH IN CABLE SUBSCRIBERS AND HOUSEHOLD PENETRATION 1980–1988

YEAR	CABLE SUBSCRIBERS (000)	HOUSEHOLD PENETRATION (%)	PAY SUBSCRIBERS (000)
1988	48,637	53.8	28,114
1987	44,971	50.5	27,600
1986	42,237	48.1	23,709
1985	39,873	46.2	24,165
1984	37,291	43.7	22,375
1983	33,794	40.5	21,151
1982	29,341	35.0	17,311
1981	23,219	28.3	11,842
1980	17,671	22.6	7,599

- Cable penetration projected to reach 63% by 1992.

Source: Cabletelevision Advertising Bureau, Inc., 1989

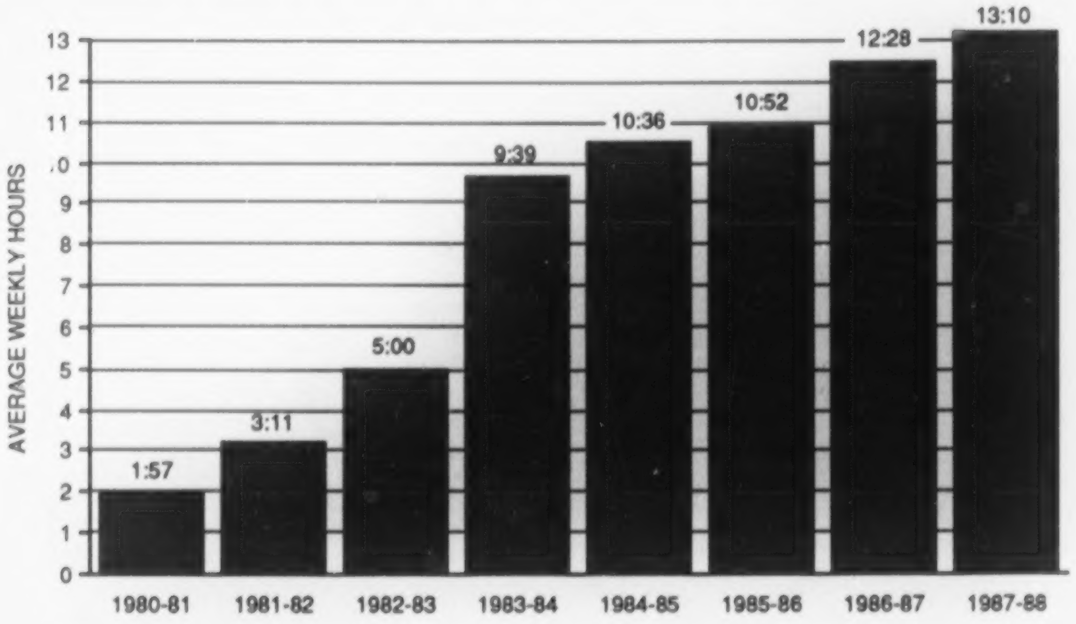
CABLE PENETRATION BY REGION (1980–1988)

PERCENTS

NIELSEN MARKETING TERRITORY	1980	1981	1982	1983	1984	1985	1986	1987	1988
NEW ENGLAND	19	25	32	38	44	50	56	59	64
METRO NEW YORK	11	19	26	28	30	33	34	36	41
MIDDLE ATLANTIC	27	32	39	43	45	48	50	52	56
EAST CENTRAL	23	28	36	43	46	48	50	52	54
METRO CHICAGO	1	2	8	15	21	24	29	33	39
WEST CENTRAL	19	24	31	38	41	44	46	48	51
SOUTHEAST	21	27	35	41	44	46	48	50	53
SOUTHWEST	22	28	37	45	47	50	50	50	53
GREATER LOS ANGELES	12	16	22	25	29	34	36	38	41
REMAINING PACIFIC	28	33	38	43	46	49	49	51	54

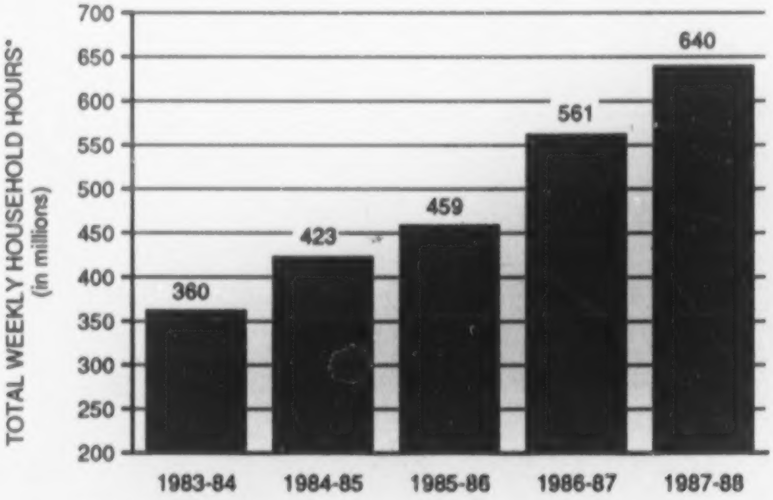
Source: Cabletelevision Advertising Bureau, Inc., 1989

CABLE TV VIEWING HOURS PER HOUSEHOLD PER WEEK



Source: Cabletelevision Advertising Bureau, Inc., 1989

TOTAL CABLE TV VIEWING PER HOUSEHOLD PER WEEK

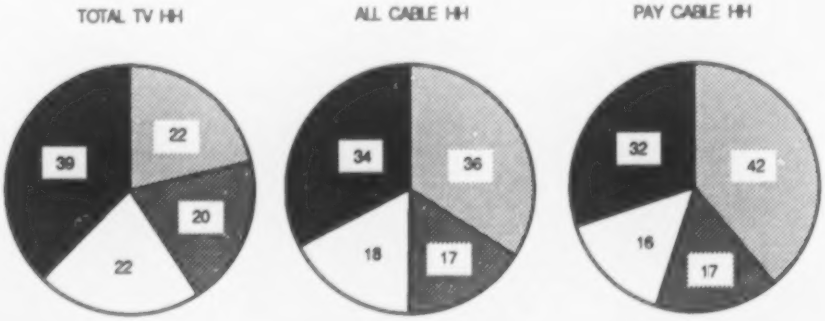


*Average Weekly Hours × Total Cable Households

Source: Cabletelevision Advertising Bureau, Inc., 1989

HOW TELEVISION VIEWERS DIVIDE THEIR TIME AMONG MAJOR PROGRAMMING SOURCES

These charts reflect the distribution of *all television viewing* (Mon-Sun, 24 hrs/day) among the major programming sources. For example, of all the viewing that takes place in cable households (center pie), 36% is to cable programming, 34% is to broadcast network, 18% is to affiliates (non-network programming) and 17% is to independents. Below the pie is a more detailed breakdown of viewership for each of these program sources.



■	**BROADCAST NETWORK AFFILIATES**	
	NETWORK PROGRAMMING	
	PRIMETIME	18%
	DAYTIME	11
	EARLY MORNING	3
	EARLY EVENING NEWS	2
	LATE NIGHT	2
	WEEKEND	3
	TOTAL	39
□	NON-NETWORK PROGRAMMING	22
	TOTAL AFFILIATES	61
▨	**CABLE PROGRAMMING**	
	BASIC	15
	PAY	7
	TOTAL	22
■	**INDEPENDENTS**	
	LOCAL	15
	DISTANT	2
	SUPERSTATIONS	3
	TOTAL	20
	PUBLIC	
	TOTAL	4

BROADCAST NETWORK AFFILIATES	
NETWORK PROGRAMMING	
PRIMETIME	15%
DAYTIME	10
EARLY MORNING	3
EARLY EVENING NEWS	1
LATE NIGHT	2
WEEKEND	3
TOTAL	34
NON-NETWORK PROGRAMMING	18
TOTAL AFFILIATES	52
CABLE PROGRAMMING	
BASIC	25
PAY	11
TOTAL	36
INDEPENDENTS	
LOCAL	10
DISTANT	3
SUPERSTATIONS	4
TOTAL	17
PUBLIC	
TOTAL	3

BROADCAST NETWORK AFFILIATES	
NETWORK PROGRAMMING	
PRIMETIME	14%
DAYTIME	9
EARLY MORNING	3
EARLY EVENING NEWS	1
LATE NIGHT	2
WEEKEND	3
TOTAL	32
NON-NETWORK PROGRAMMING	16
TOTAL AFFILIATES	48
CABLE PROGRAMMING	
BASIC	24
PAY	18
TOTAL	42
INDEPENDENTS	
LOCAL	10
DISTANT	2
SUPERSTATIONS	5
TOTAL	17
PUBLIC	
TOTAL	3

Source: Cabletelevision Advertising Bureau, Inc., 1989.

CABLE SUBSCRIBER DEMOGRAPHICS VS. USERS OF OTHER MEDIA

Cable offers advertisers an important competitive edge over other media. Cable viewers are younger, better educated, more affluent, hold higher level employment, and live in larger households. The following statistics are based on a 1988 index of the total population.

HOUSEHOLD INCOME	**TOTAL U.S.**	**CABLE NET-WORK***	**PRIME TIME TV**	**RADIO**	**NEWS-PAPER**	**MAGA-ZINE**
$60,000 +	100	121	97	108	109	107
$40,000–$60,000	100	115	99	106	106	106
$20,000–$40,000	100	104	101	102	103	102
Under $20,000	100	74	101	89	87	90
EDUCATION						
COLLEGE GRADUATE	100	113	96	107	111	106
ATTENDED COLLEGE	100	118	97	105	106	108
HS GRADUATE	100	100	102	102	102	102
NOT HS GRADUATE	100	79	101	90	86	85
OCCUPATION						
EXECUTIVE/ MANAGERIAL/ ADMINISTRATIVE	100	122	99	109	110	106
PROFESSIONAL	100	112	97	107	109	107
OTHER EMPLOYED	100	106	98	106	101	102
NOT EMPLOYED	100	85	104	89	95	95
HOUSEHOLD SIZE						
3+ PERSONS	100	108	98	104	101	103
2	100	97	103	95	101	98
1	100	69	100	93	94	92
AGE						
18–34	100	104	95	109	99	105
35–54	100	108	101	104	103	102
55+	100	86	106	84	99	92

*Any viewing past week.

Source: Cabletelevision Advertising Bureau, Inc., 1989

LISTS/DATABASES

CONSUMER ATTITUDES

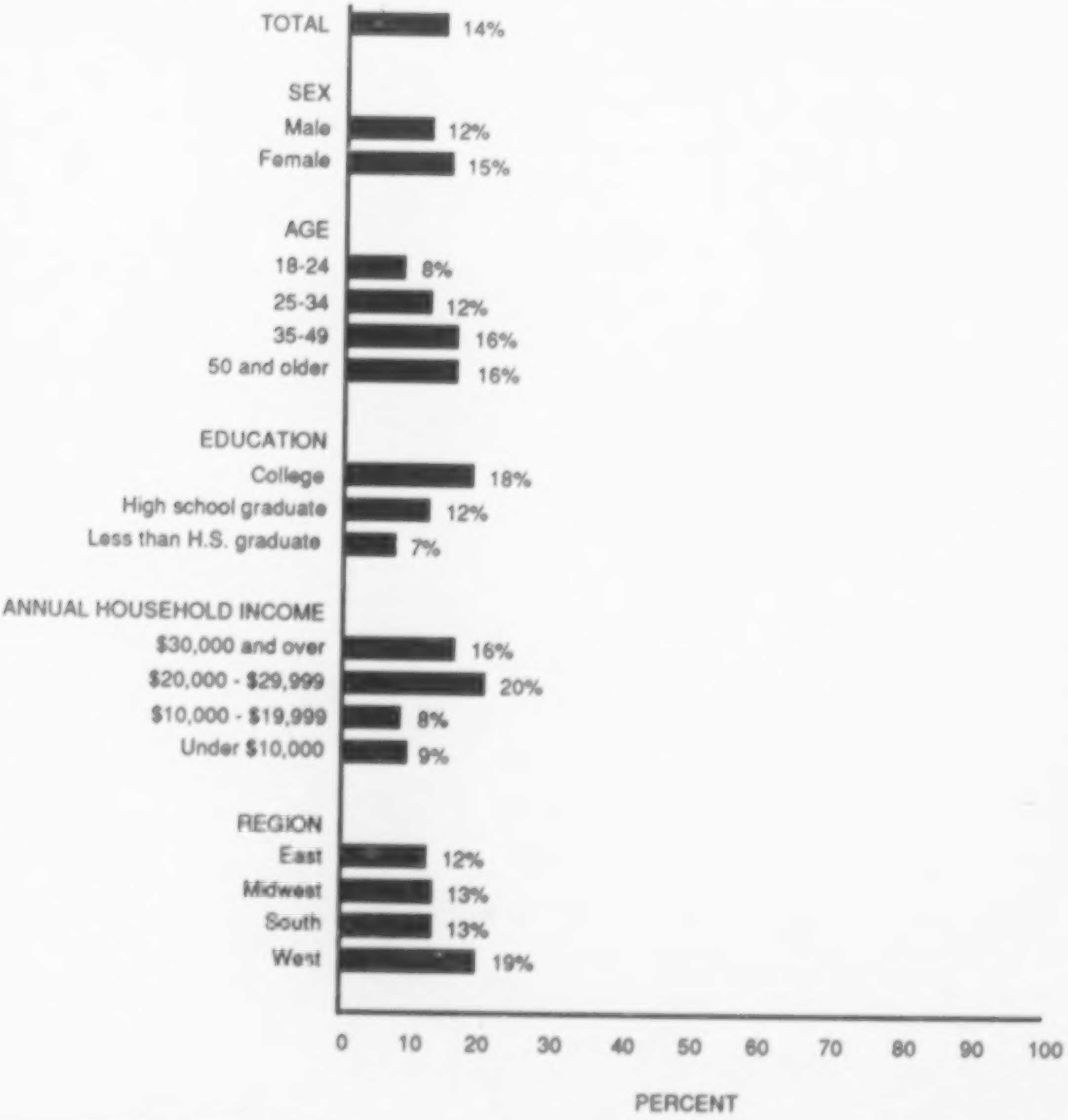
TRENDS

PROJECTIONS

PERCENTAGE OF CONSUMERS WHO REQUEST NAME REMOVAL FROM MAILING LISTS

The Gallup Organization's study on Consumer Attitudes toward Promotions and Merchandise Ordered was conducted by telephone during July 1986 among 1,027 adults.

Have you ever requested that your name be removed from the mailing list of a company that was soliciting your business? Only 14% of the respondents requested name removal.

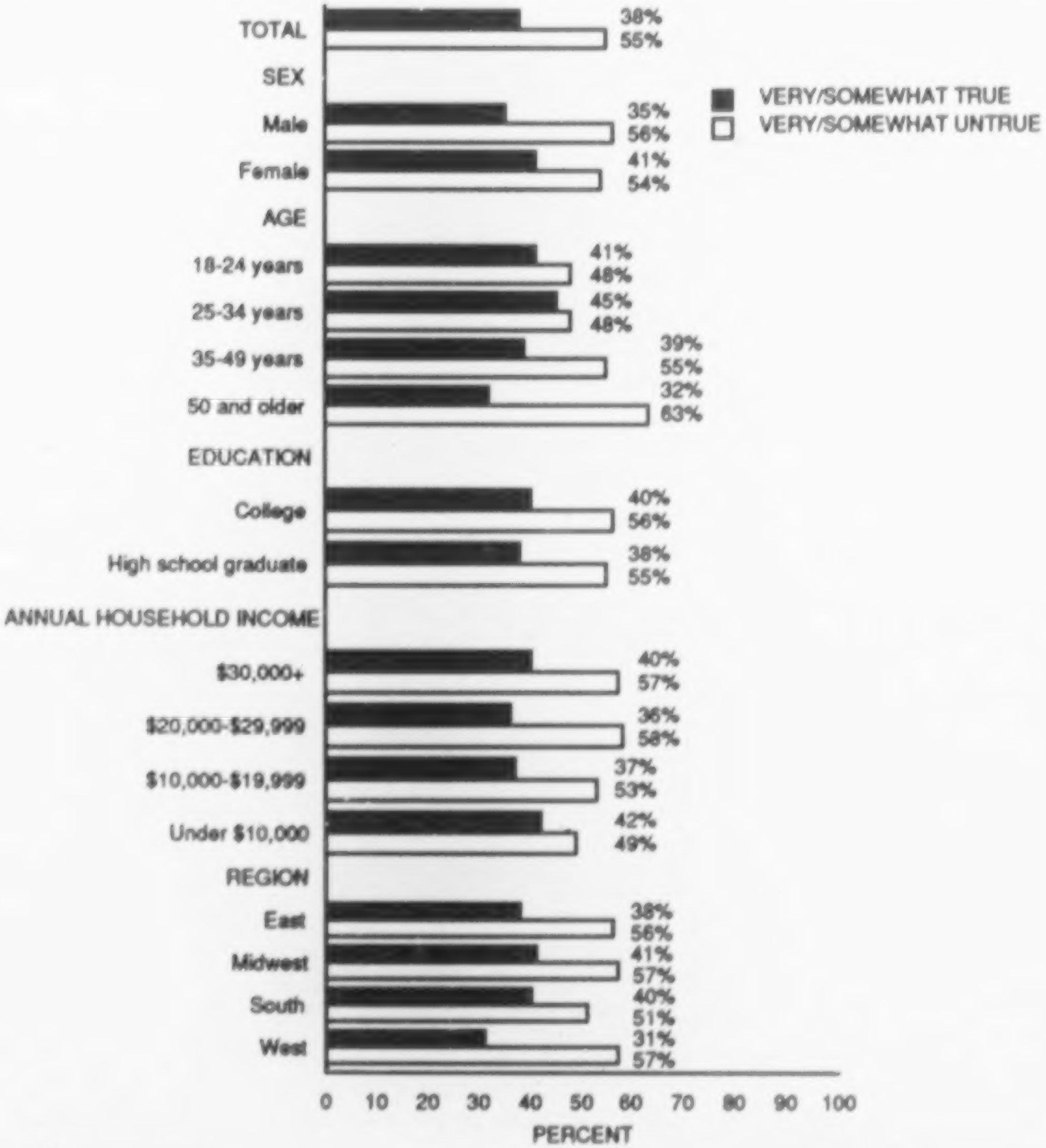


Source: Target Marketing, Gallup Organization, Sept. 1986

CONSUMER ATTITUDES TOWARD NAME/LIST RENTALS

The Gallup Organization's Don't Rent My Name! Survey was conducted by personal interviews during October 21–28, 1986, among 1,559 adults.

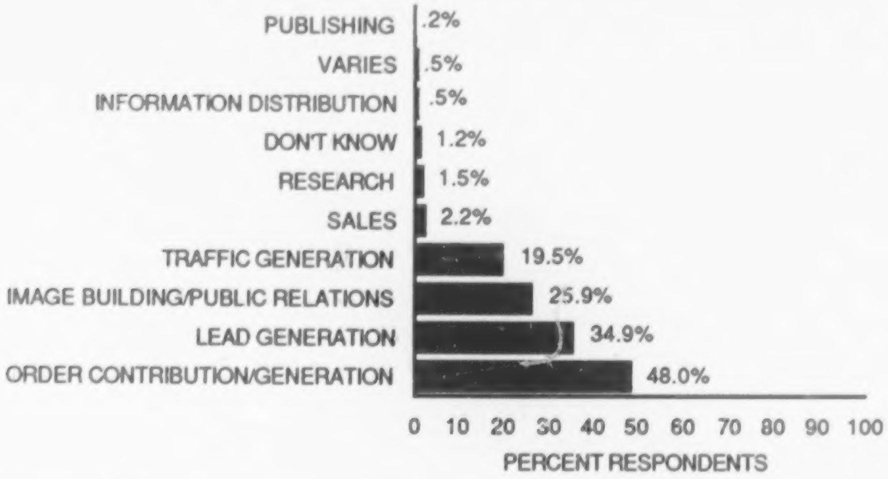
I *do not* mind if companies I buy from give my name to other companies so they can also send me brochures and catalogs.



Source: Target Marketing, Gallup Organization, September 1987

PRIMARY OBJECTIVES FOR DIRECT MAIL

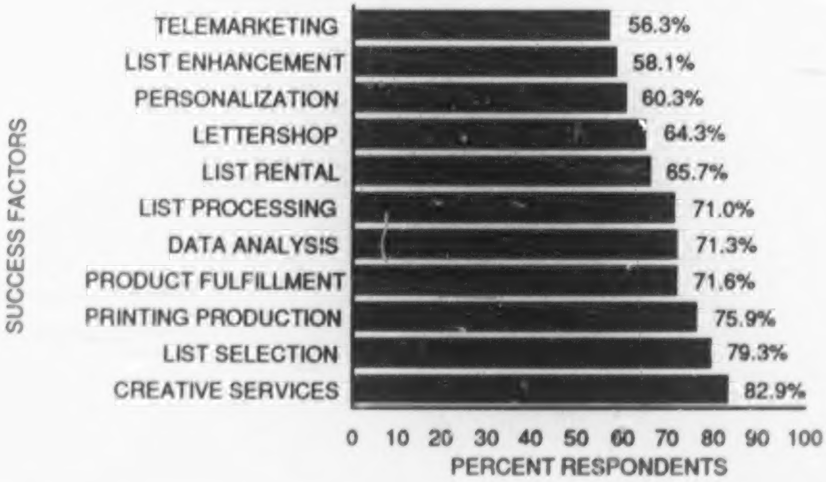
The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.



Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

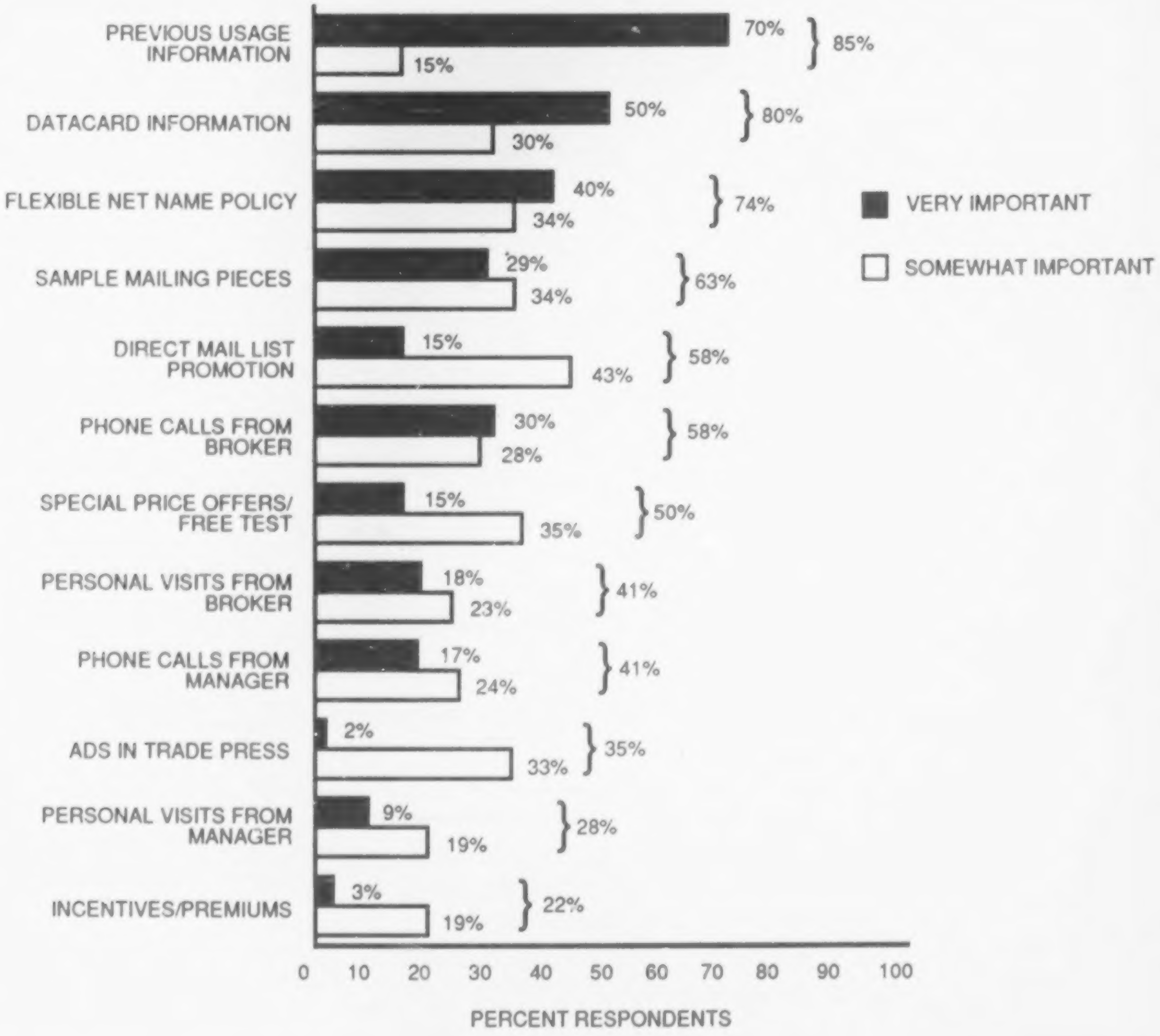
CRITICAL SUCCESS FACTORS PERCEIVED BY DIRECT MAILERS

The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.



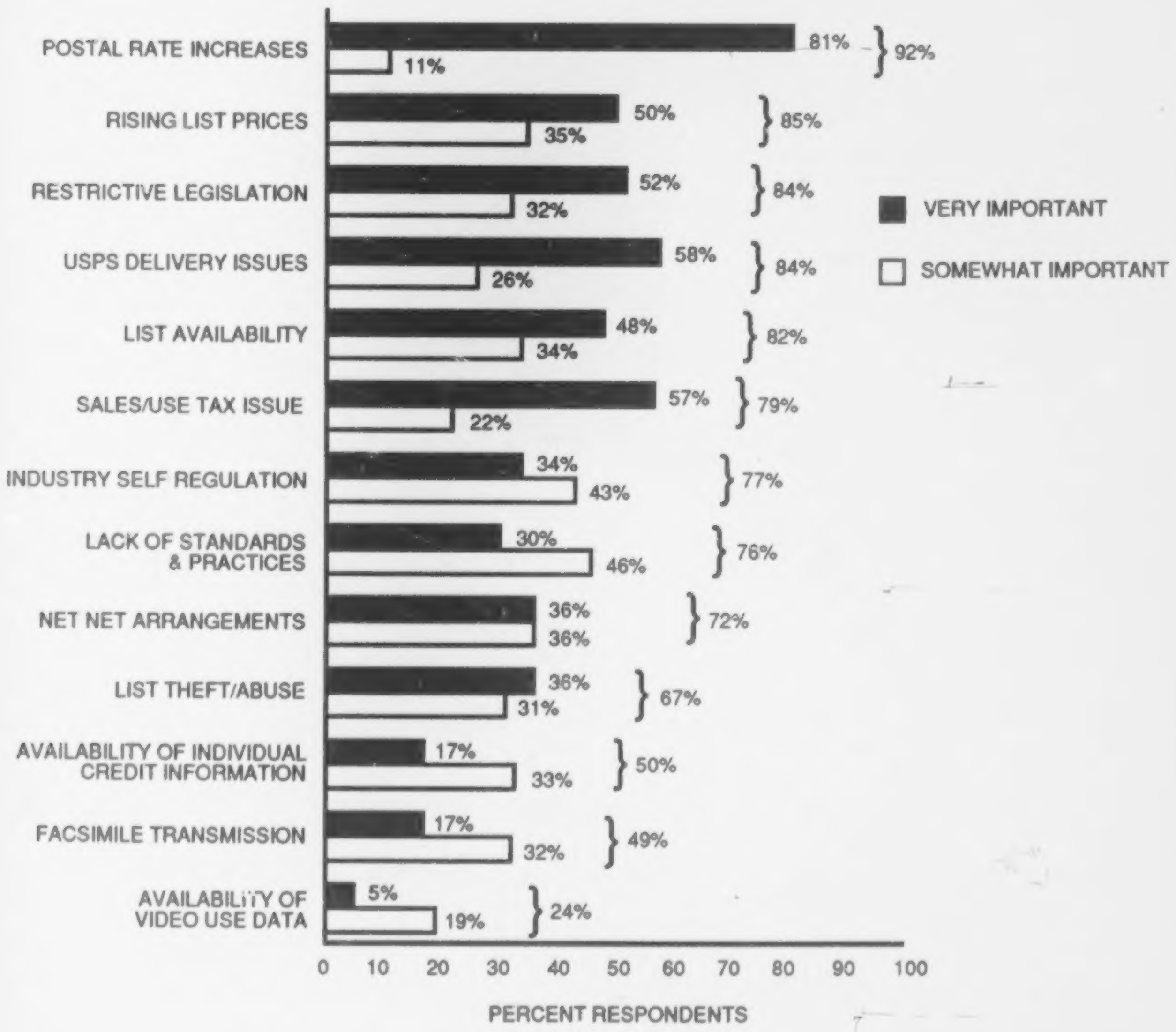
Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

IMPORTANT FACTORS INFLUENCING LIST SELECTION DECISIONS IN 1988



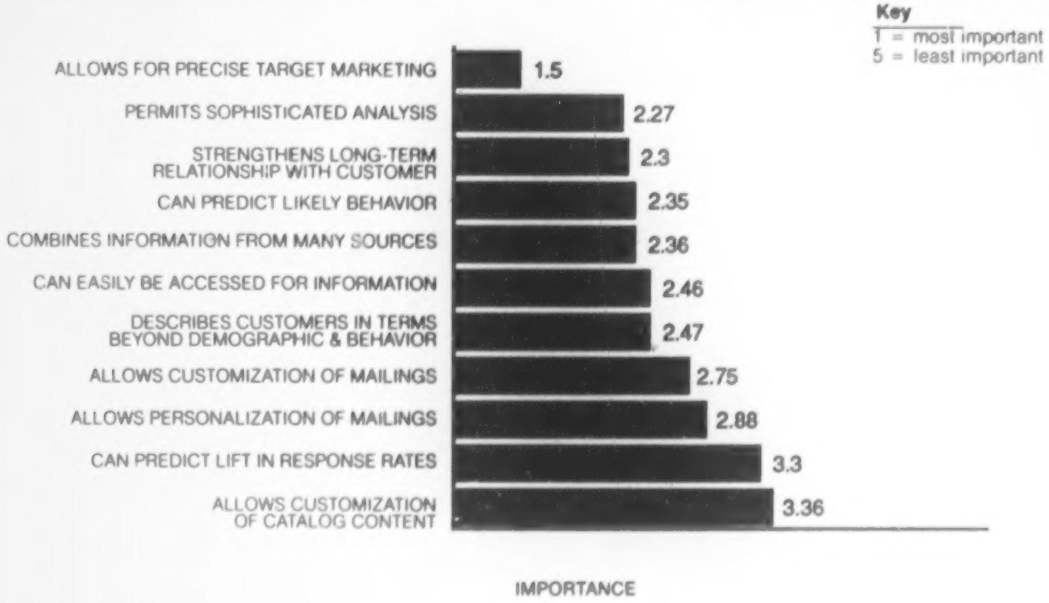
Source: DMA's 8th & 9th Annual List Usage Surveys. DMA List Council/Research Department. 1988 & 1989

IMPORTANT ISSUES FACING LIST INDUSTRY IN 1988



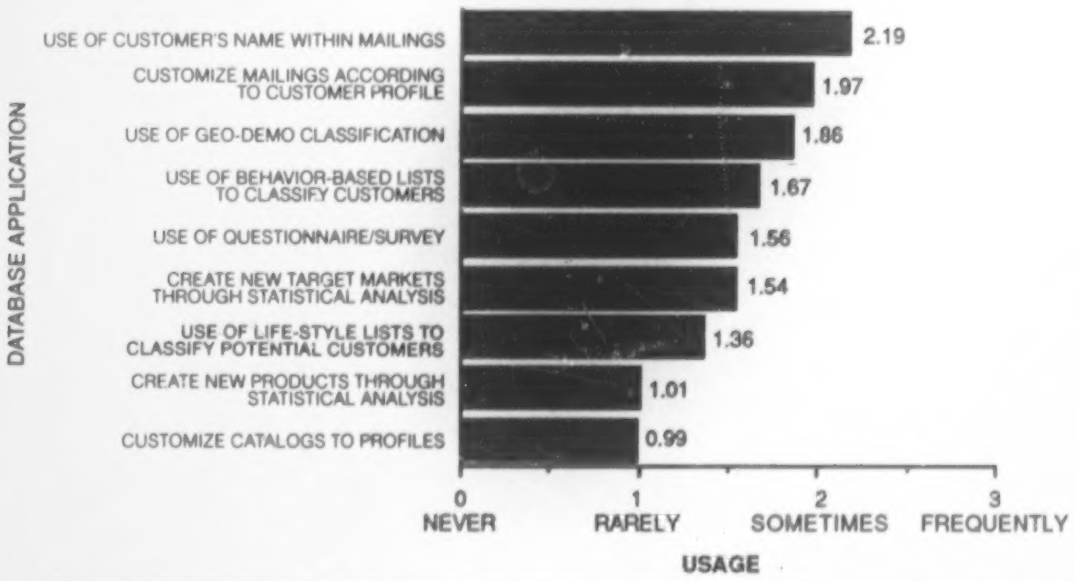
Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

THE MOST IMPORTANT ASPECTS OF DATABASES FOR DIRECT MARKETERS



Source: DMA Research Department, 1986

ACTUAL DIRECT MARKETING USE OF DATABASES



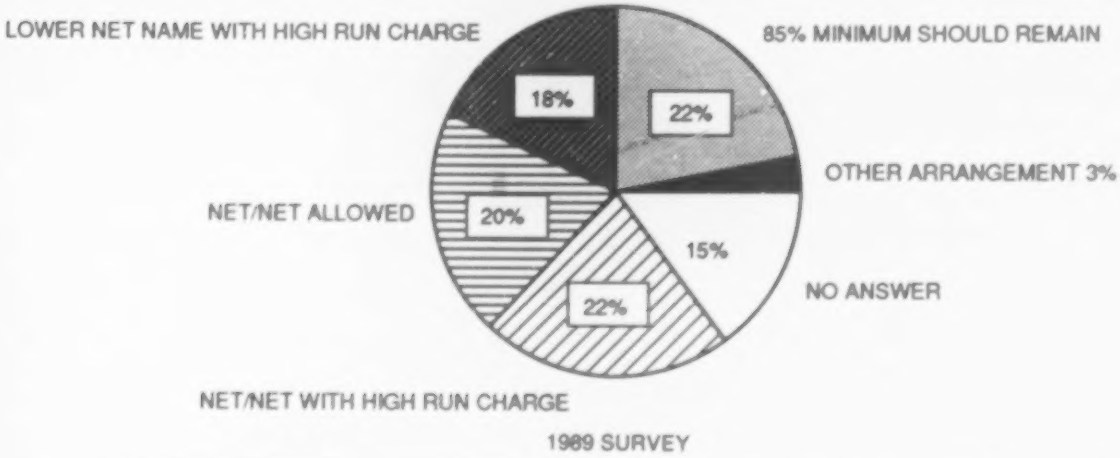
Source: DMA Research Department, 1986

SURVEY OF LIST PRACTICES

Many of the following charts are from the Donnelley Marketing Third Annual Survey of List Practices. This study was conducted in 1989 among 1400 industry professionals. 102 completed mail surveys were received and tabulated.

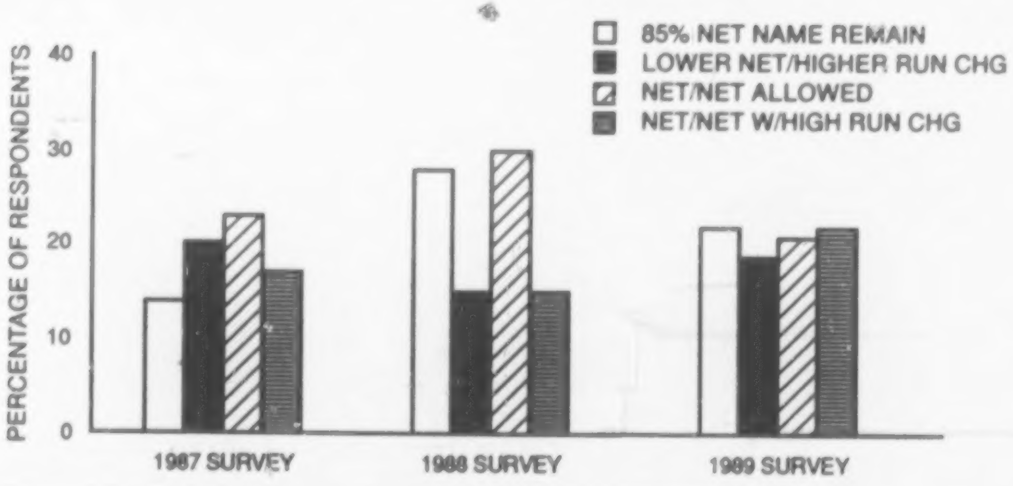
VIEWS ABOUT NET NAME ARRANGEMENTS

Net name arrangements are the most discussed topics in the list industry. A net name arrangement is an agreement whereby the list owner agrees to accept adjusted payment for less than the total names shipped to the list user.



Source: Donnelley Marketing Third Annual Survey of List Practices, 1989

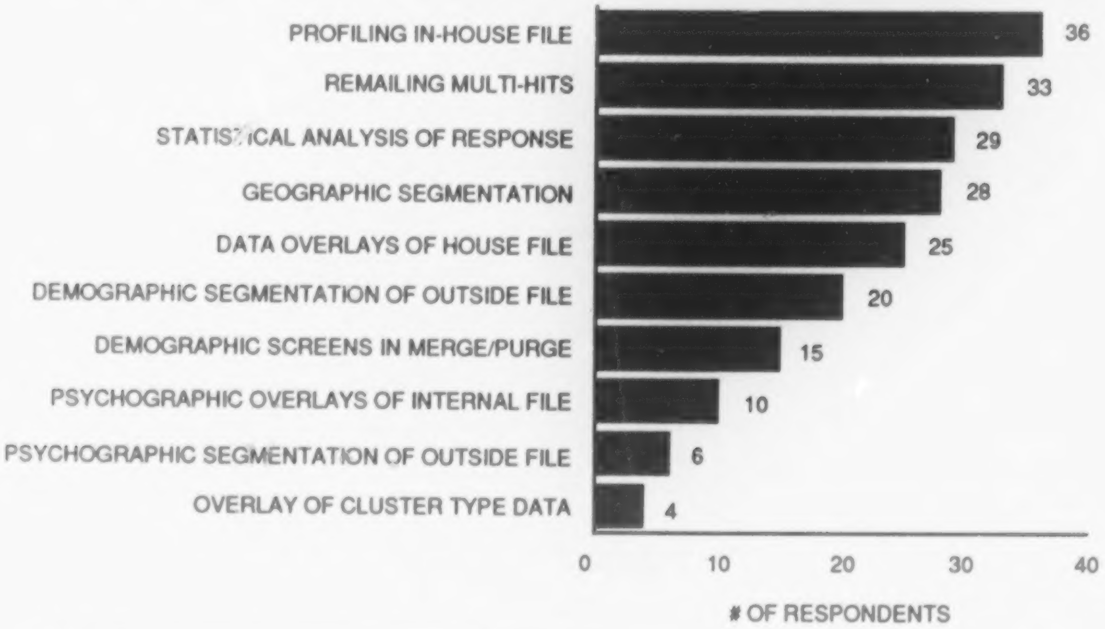
IDEAL SOLUTIONS CONCERNING NET NAME ARRANGEMENTS



Source: Donnelley Marketing Third Annual Survey of List Practices, 1989

RESPONSE IMPROVEMENT TECHNIQUES

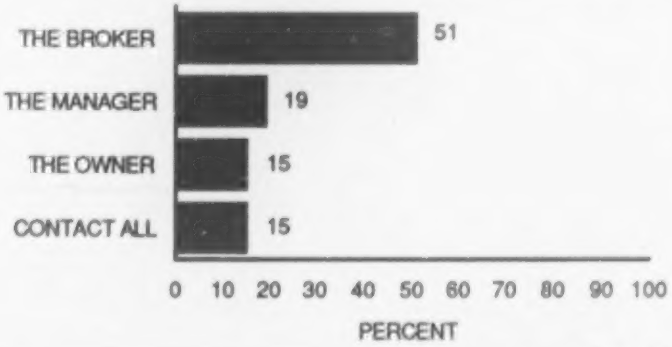
Indicate those response improvement techniques you have used and would rate successful.



Source: Donnelley Marketing Third Annual Survey of List Practices, 1989

WHO'S RESPONSIBLE IN CASES OF MAILING LIST MISUSE

Whom should the service bureau contact if the mailer does anything with a list, other than that which was contractually agreed to?



Source: Donnelley Marketing, Survey of List Practices, 1986

CUSTOMER LIST USAGE STRATEGIES

The DMA Marketing Council's Management Survey of Current Direct Marketing Practices and Trends was conducted by mail in August 1986 among 4,550 companies. Among the 1,001 responding companies, 640 were DMA User Companies and 361 were DMA Service Companies, providing a 22% response rate.

	CURRENT STRATEGY		FUTURE STRATEGY	
STRATEGY	**FREQUENTLY**	**SOMETIMES**	**MORE**	**SAME**
CROSS-SELLING DM PRODUCT LINES	41%	24%	61%	17%
CROSS-SELLING ACROSS DM TO RETAIL	11%	16%	30%*	36%
UPGRADING SALES	42%	31%	71%	12%
RE-SELLING CUSTOMERS	64%	19%	71%	12%

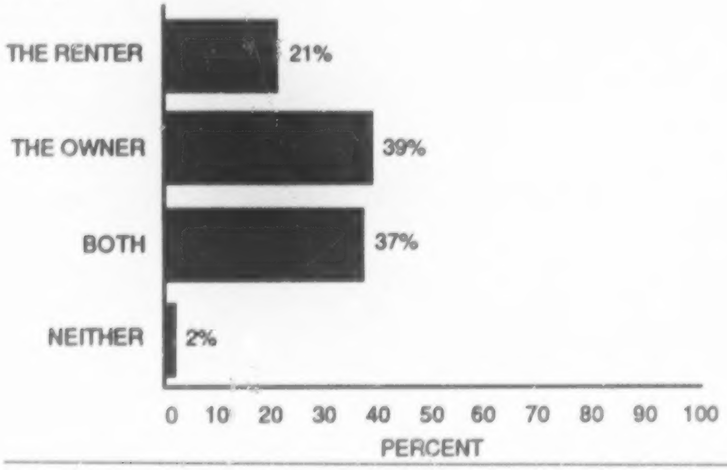
*RETAILERS = 45%

Source: DMA Research Department

OWNERSHIP OF NCOA PROCESSED ADDRESSES

NCOA = National Change of Address

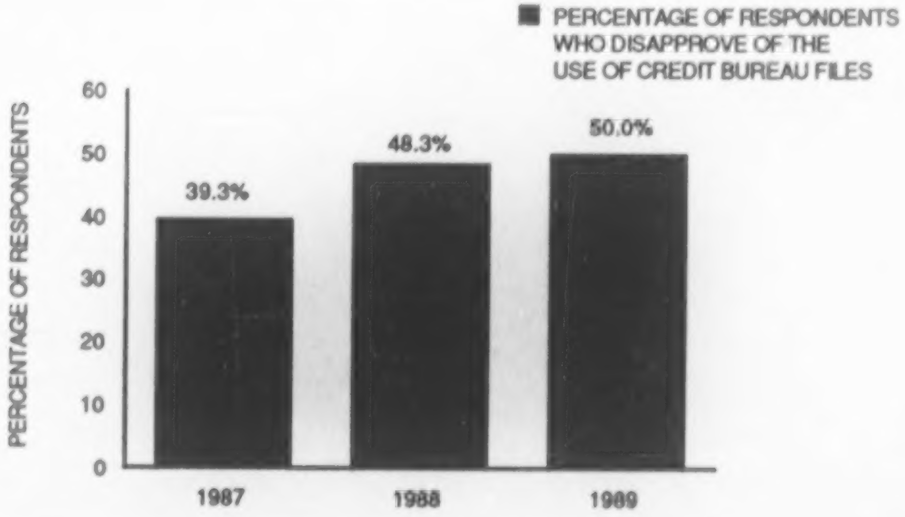
If a rented list is run through the USPS National Change of Address System, to whom do the new addresses belong?



Source: Donnelley Marketing, Survey of List Practices, 1988

USE OF CREDIT BUREAU EXTRACT FILES

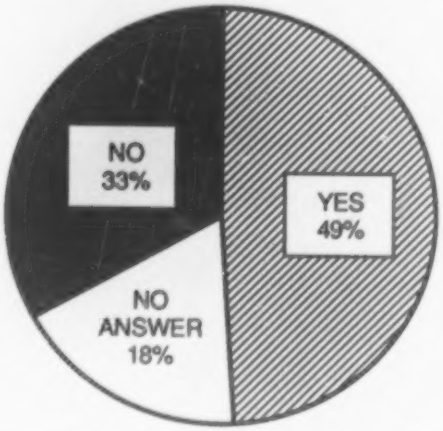
Do you feel credit bureau extract files are an appropriate use of credit information?



Source: Donnelley Marketing Third Annual Survey of List Practices, 1989

SELECTION CHARGES AND COMMISSIONS

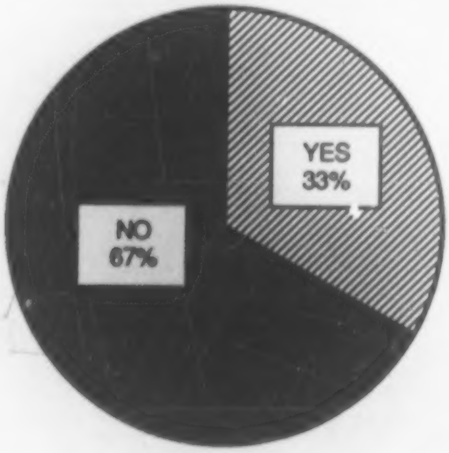
Should commissions be allowed on select charges?



Source: Donnelley Marketing Third Annual Survey of List Practices, 1989

EFFECTIVENESS OF AN INDUSTRY-WIDE DECOY SYSTEM

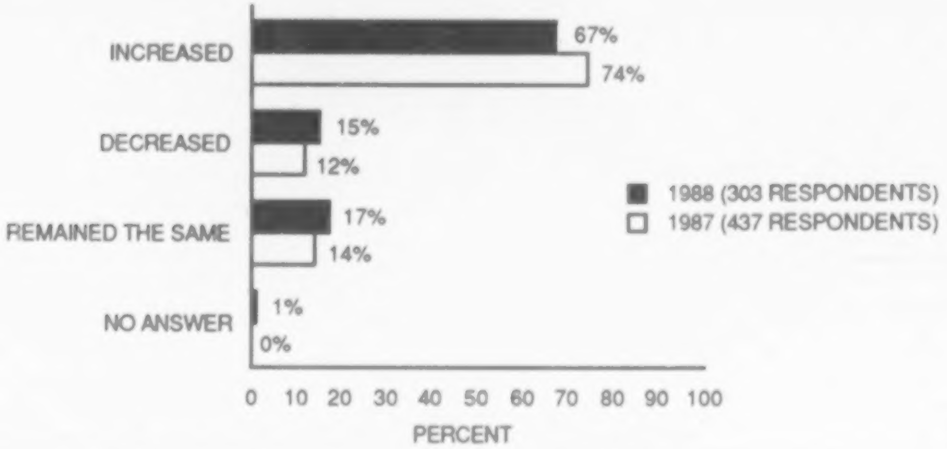
Do you think an industry-wide decoy system could be effective?



Source: Donnelley Marketing Survey of List Practices, 1988.

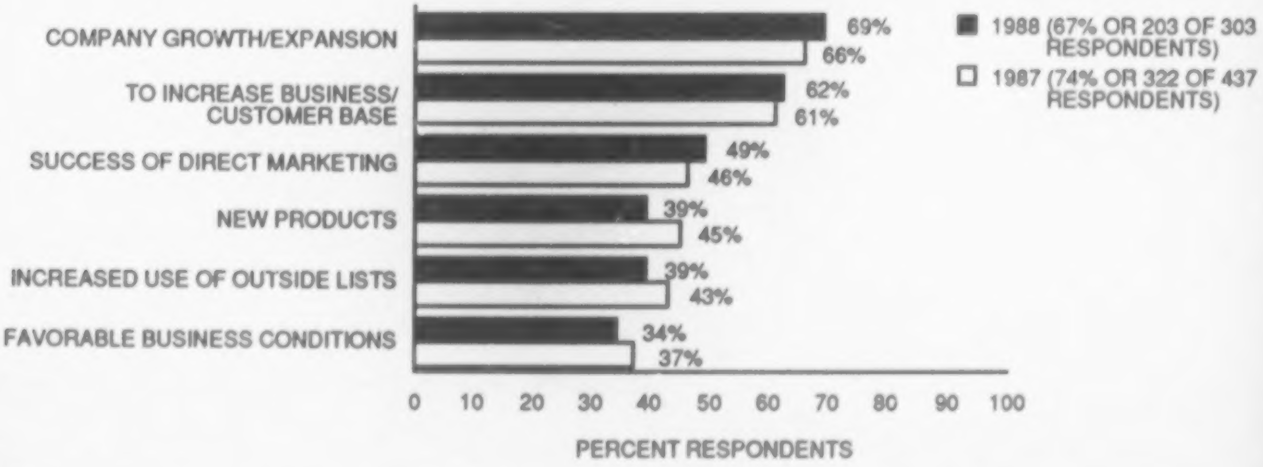
TRENDS IN OVERALL MAILING QUANTITIES: 1988 vs 1987

In 1988, mailers appeared more conservative with the percentage rate for increasing quantities slowing down 7 percentage points to 67%.



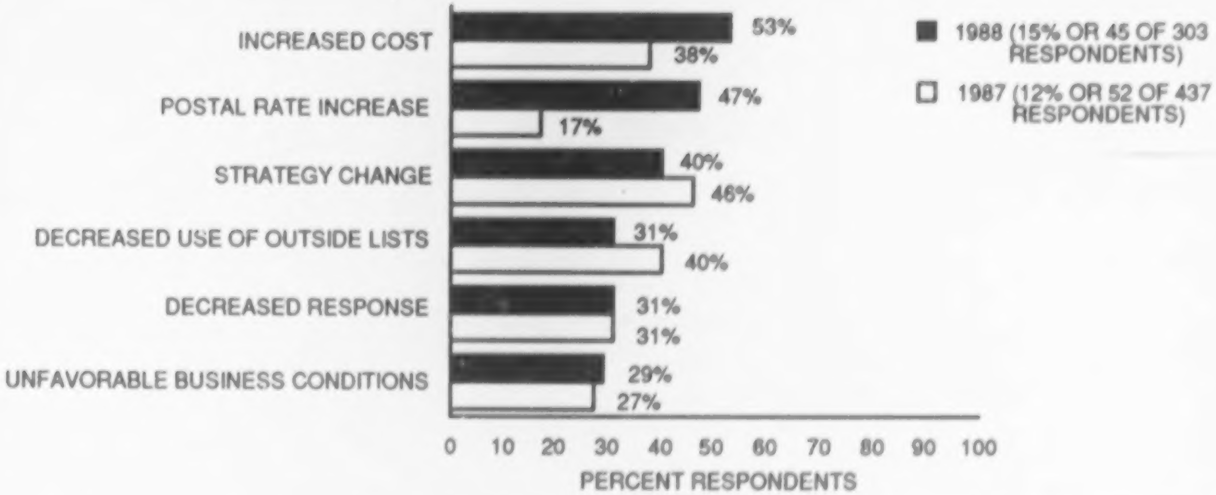
Source: DMA's 8th and 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

TOP SIX REASONS FOR MAILING QUANTITIES INCREASING IN 1988 & 1987



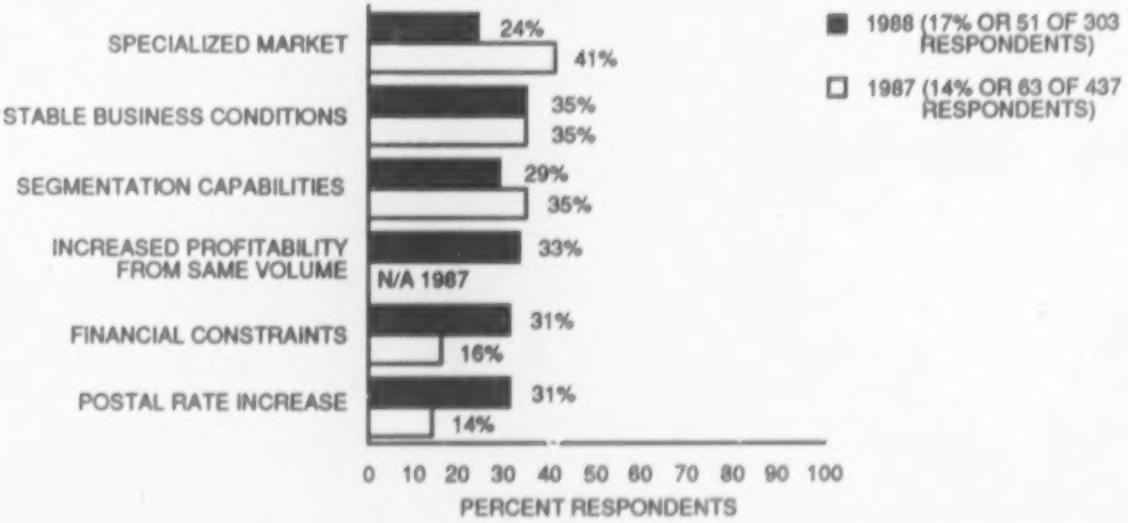
Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

TOP SIX REASONS FOR MAILING QUANTITIES DECREASING IN 1988 & 1987



Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

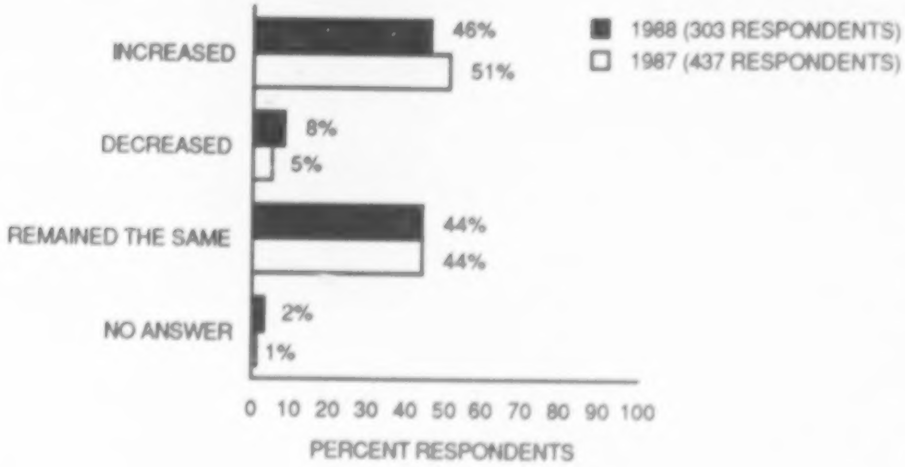
TOP SIX REASONS FOR MAILING QUANTITIES STAYING STABLE IN 1988 & 1987



Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

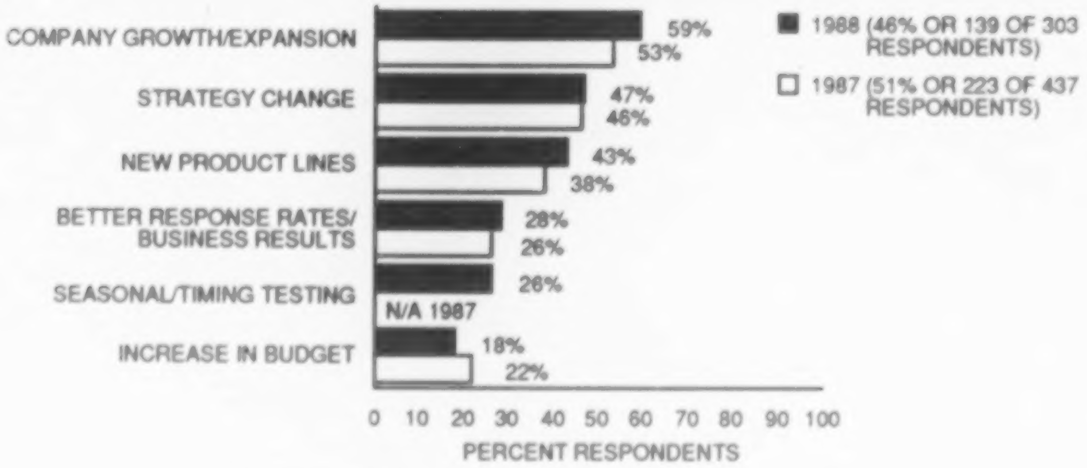
TRENDS IN STATUS OF MAILING FREQUENCY: 1988 vs 1987

The rate of increased mailing frequency dropped by 5% in 1988 from the previous year, while the rate of decreased mailing frequency rose slightly by 3%.



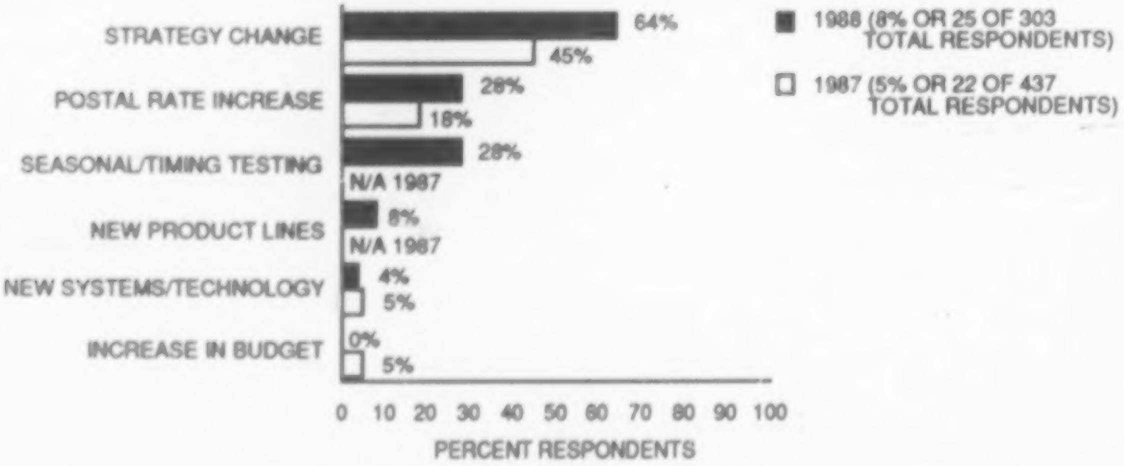
Source: DMA's 8th & 9th Annual List Usage Surveys. DMA List Council/Research Department, 1988 & 1989

TOP SIX REASONS FOR INCREASES IN MAILING FREQUENCY IN 1988 & 1987



Source: DMA's 8th & 9th Annual List Usage Surveys. DMA List Council/Research Department, 1988 & 1989

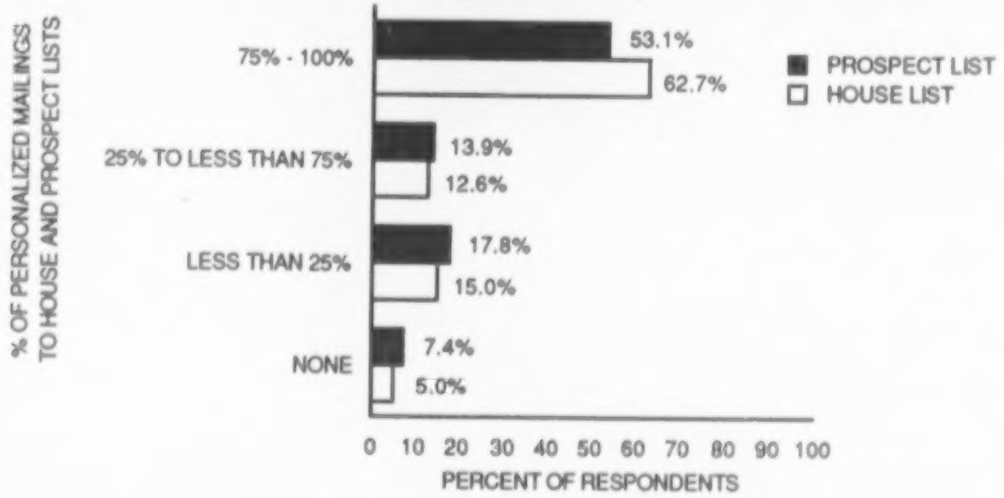
TOP SIX REASONS FOR DECREASES IN MAILING FREQUENCY IN 1988 & 1987



Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

PERCENT OF PERSONALIZED MAILINGS TO HOUSE AND PROSPECT LISTS

The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.

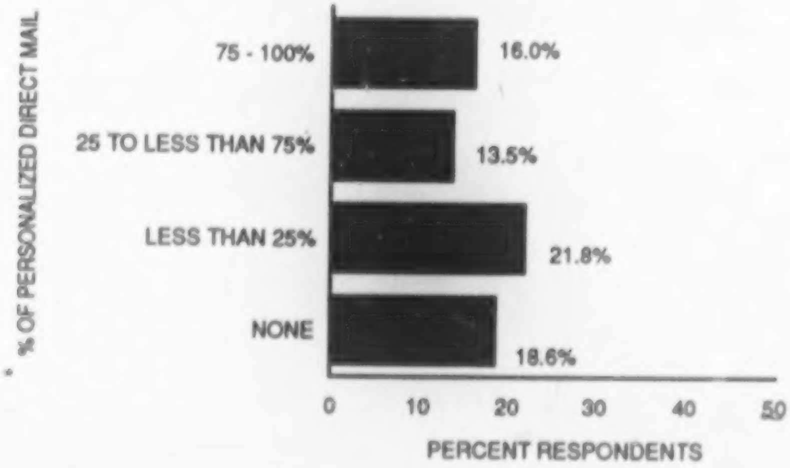


Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

PERCENT OF DIRECT MAIL THAT IS PERSONALIZED

The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.

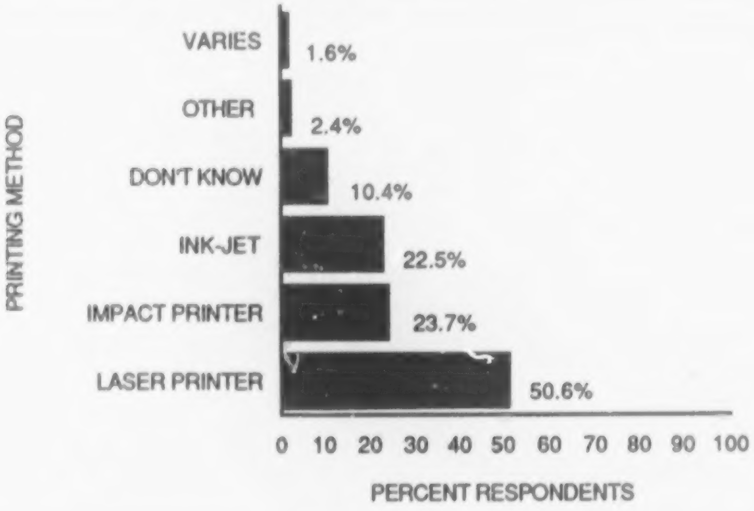
Over 60% of direct mail is personalized to some extent, and of that portion, 75% is personalized more than superficially.



Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

MOST COMMON PRINTING METHOD FOR PERSONALIZATION

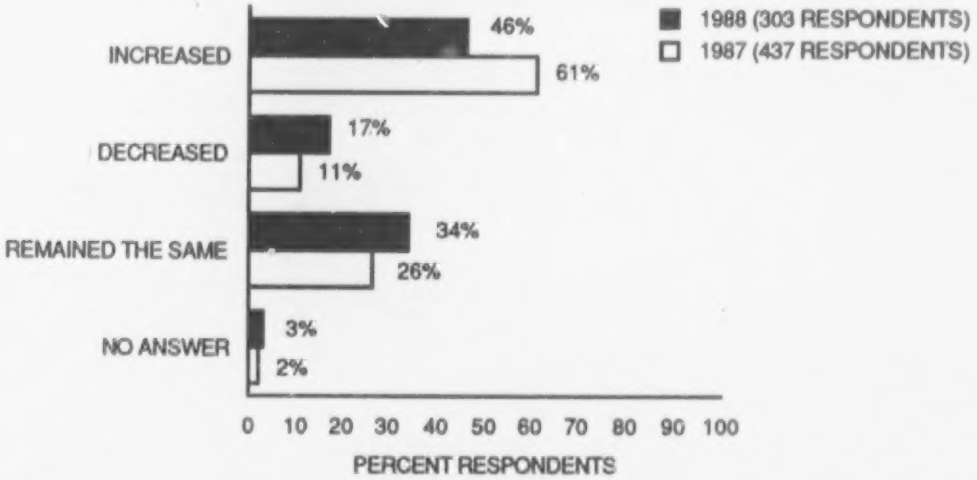
The Response Graphics Survey of the Direct Mail Production Services industry was conducted by telephone from December 1988 to February 1989 among 450 companies.



Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

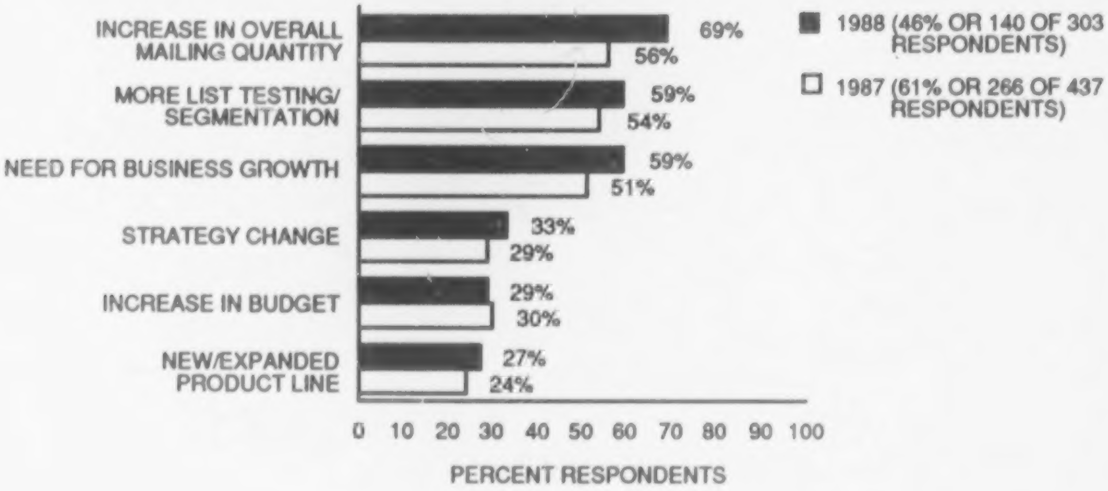
TRENDS IN OUTSIDE NAME USAGE: 1988 vs 1987

The majority of mailers did not increase their usage of outside lists in 1988.



Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

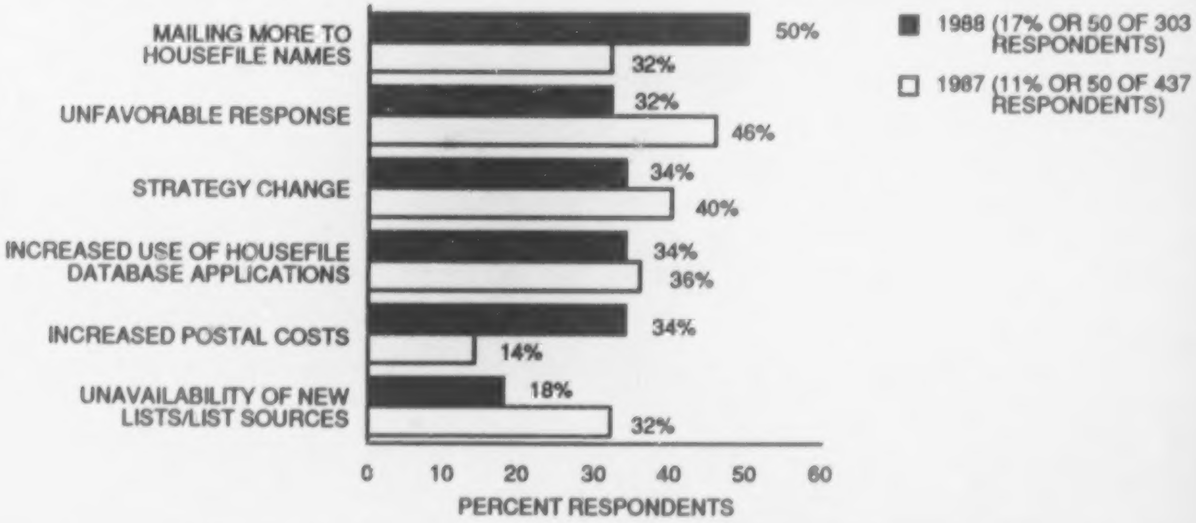
TOP SIX REASONS FOR INCREASES IN OUTSIDE NAME USAGE IN 1988 & 1987



Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

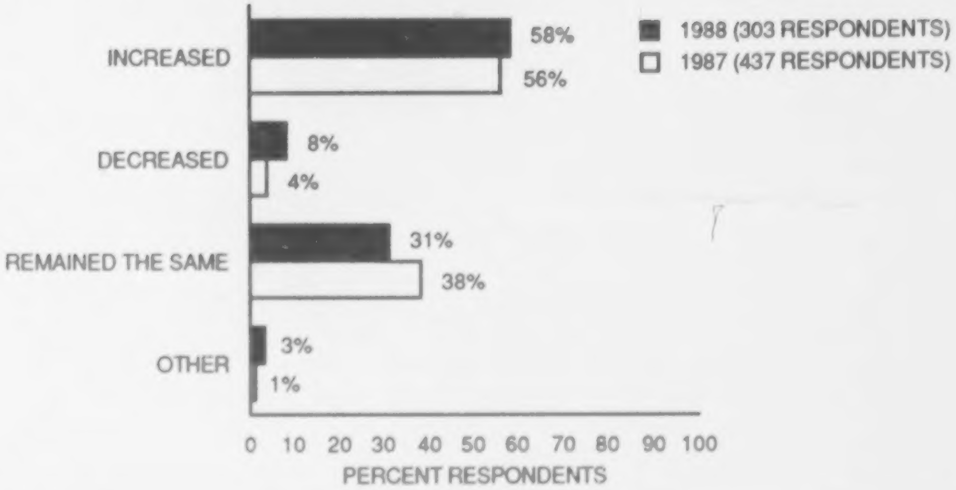
TOP SIX REASONS FOR DECREASES IN OUTSIDE NAME USAGE IN 1988 & 1987

In 1988, mailers relied more heavily on their housefile names and appeared to focus on bottom-line budget, postal and list costs.



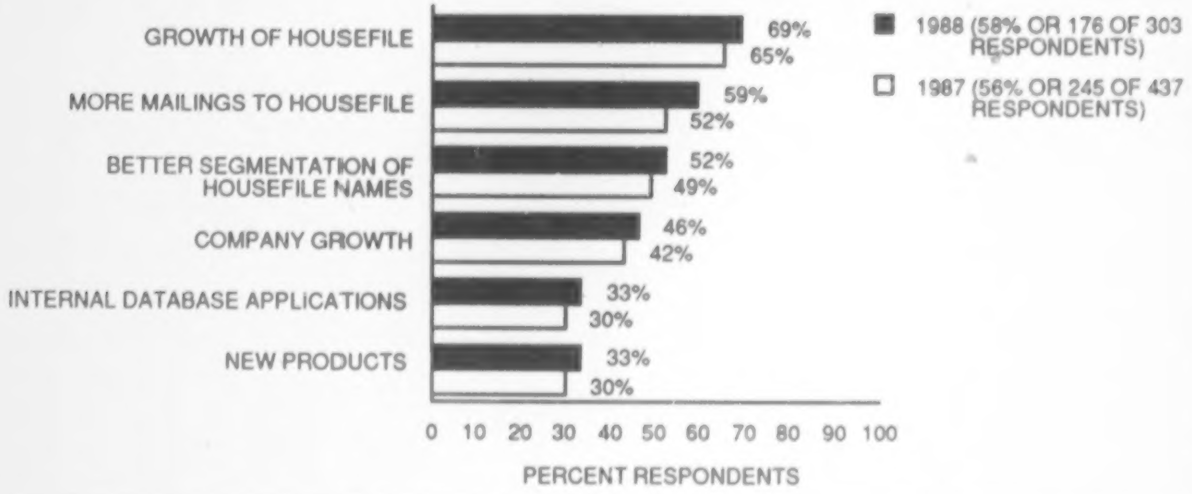
Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

TRENDS IN HOUSE FILE USAGE: 1988 vs. 1987



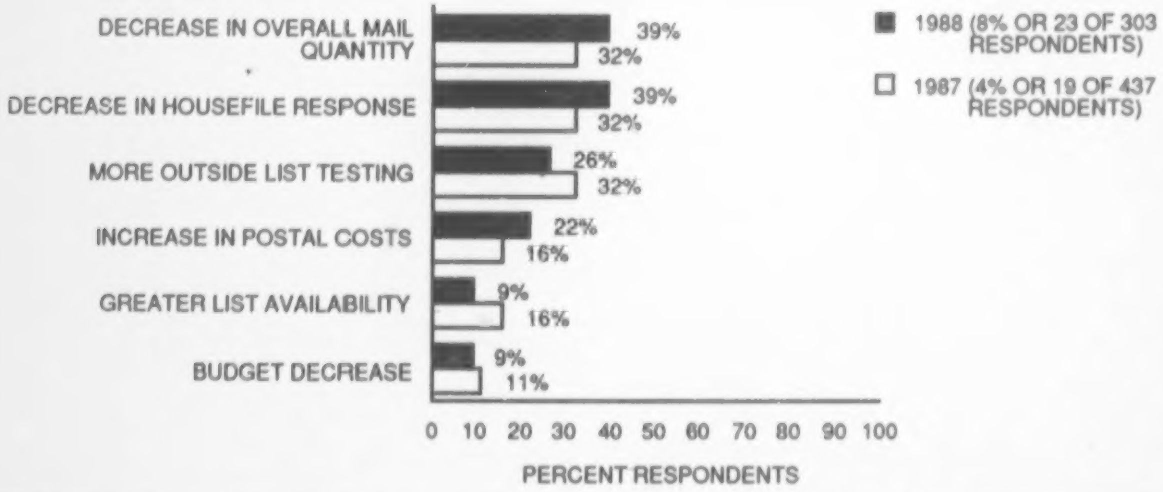
Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

TOP SIX REASONS FOR INCREASED HOUSE FILE USAGE IN 1988 & 1987



Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

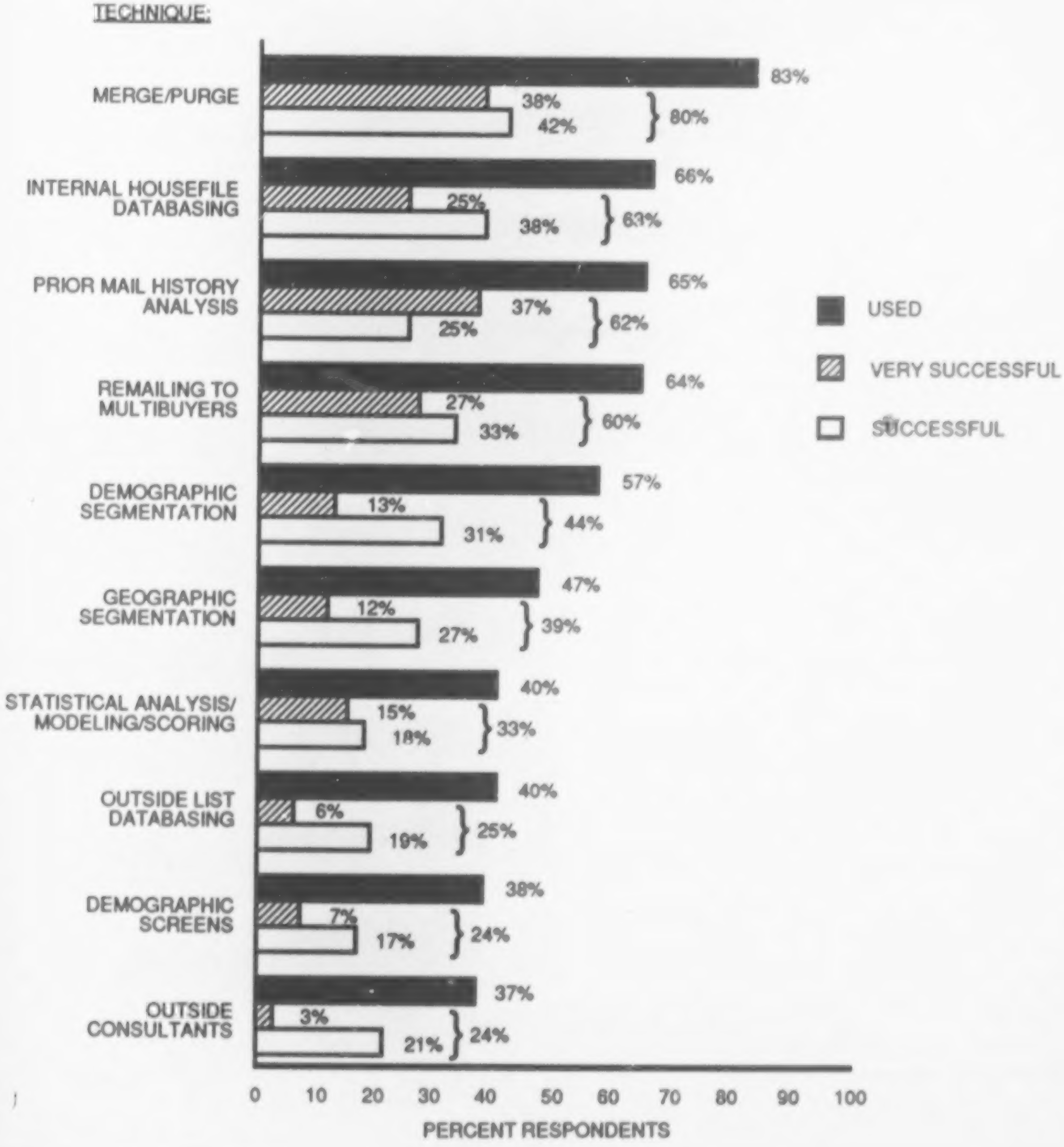
TOP SIX REASONS FOR DECREASED HOUSE FILE USAGE IN 1988 & 1987



Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

TOP TEN LIST TECHNIQUES USED TO IMPROVE UP FRONT RESPONSE AND BACK END PERFORMANCE

The top bar represents total users of each technique. Respondents were asked to rank the success of usage. The lower bars show how many respondents indicated successful usage.

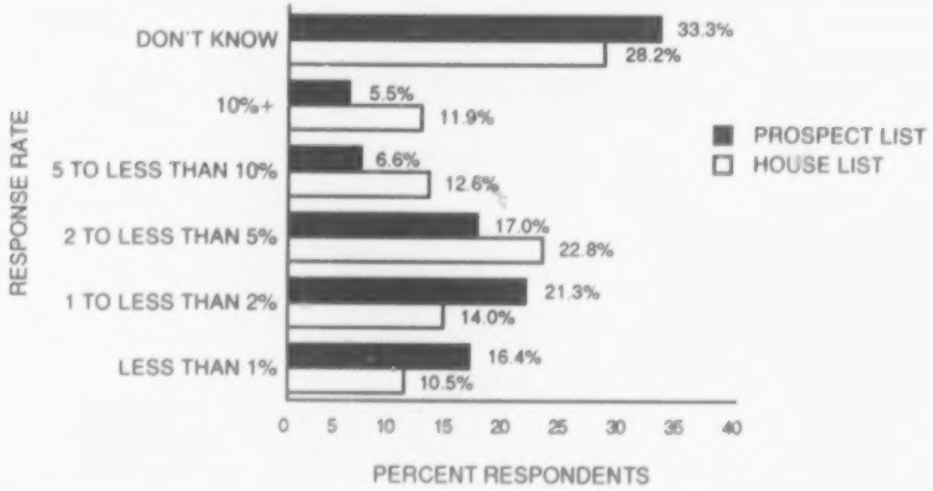


Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

MINIMUM EXPECTED RATE OF RESPONSE IN DIRECT MAIL PROMOTION

The Reponse Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.

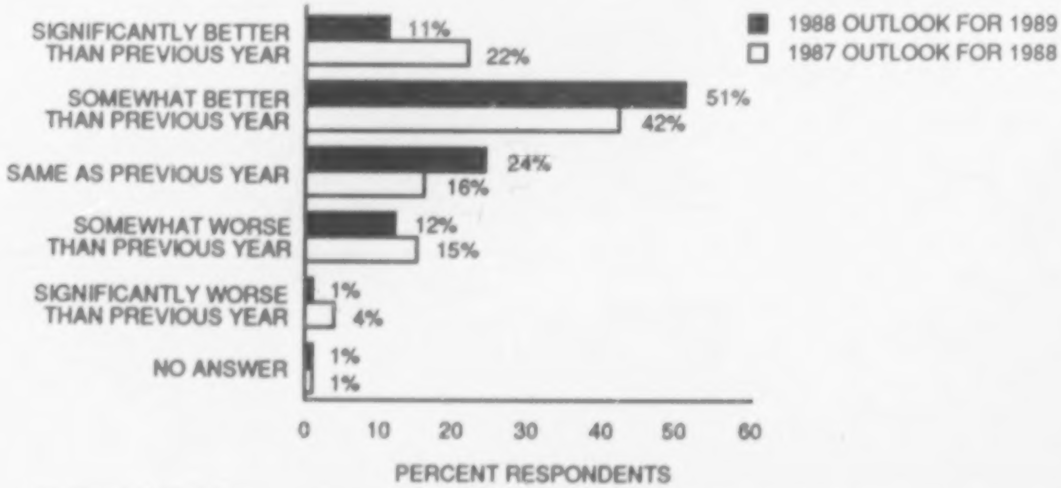
Minimum threshold response rates average about 3.25% for House Lists and 1.85% for Prospect Lists



Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

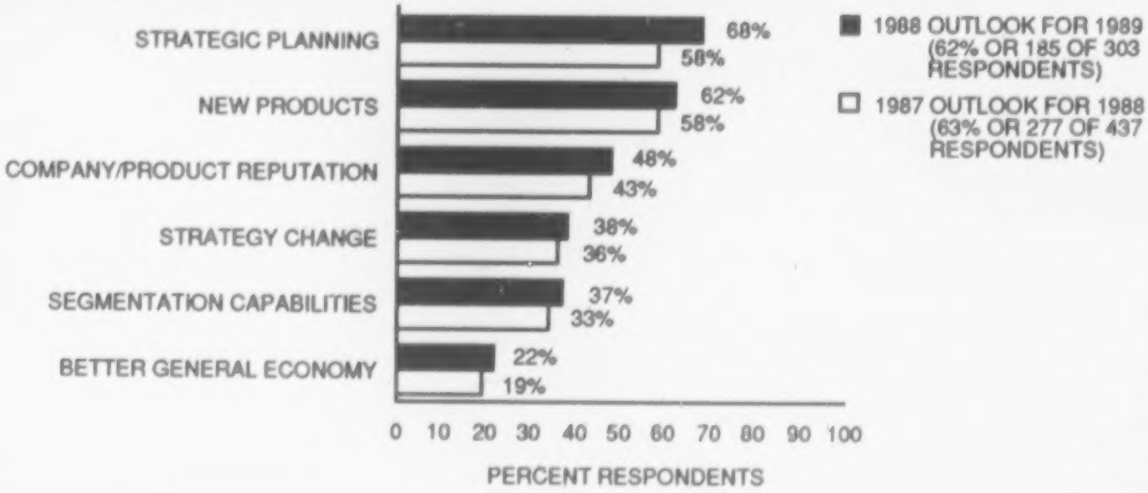
MARKET OUTLOOK FROM A LIST USERS PERSPECTIVE

List users are slightly less optimistic about the market outlook for 1989 than they were for 1988.



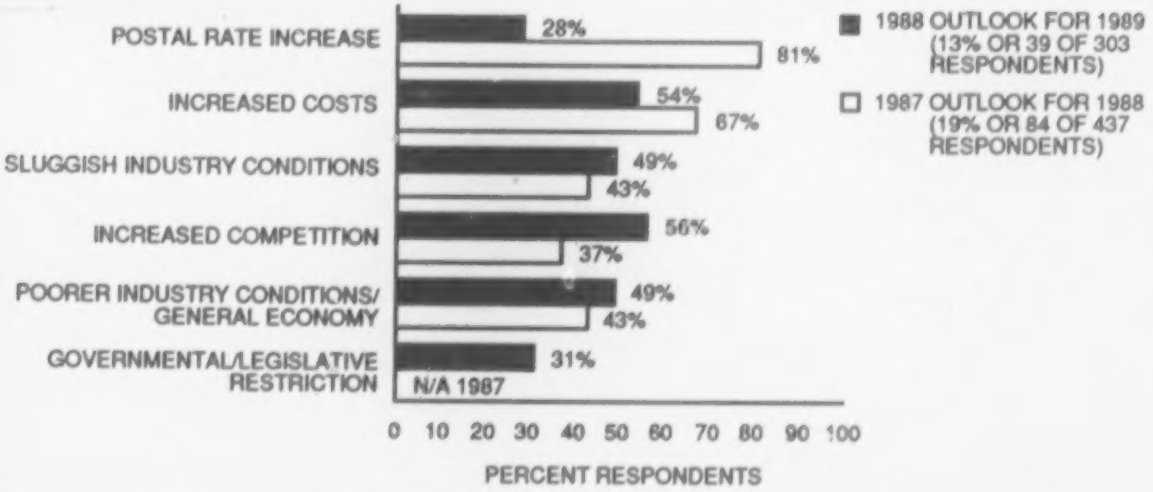
Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

TOP SIX REASONS FOR MAILING LIST USERS PREDICTING BETTER BUSINESS CONDITIONS



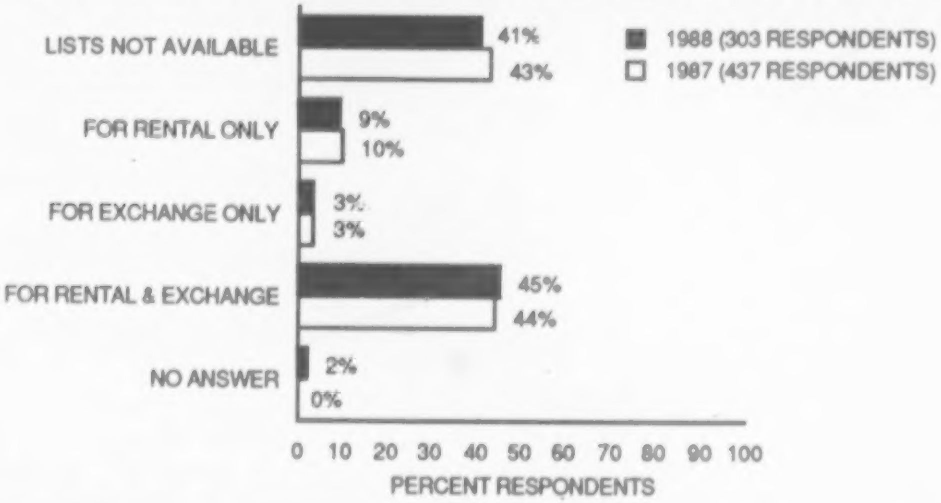
Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

TOP SIX REASONS FOR MAILING LIST USERS PREDICTING WORSE BUSINESS CONDITIONS



Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

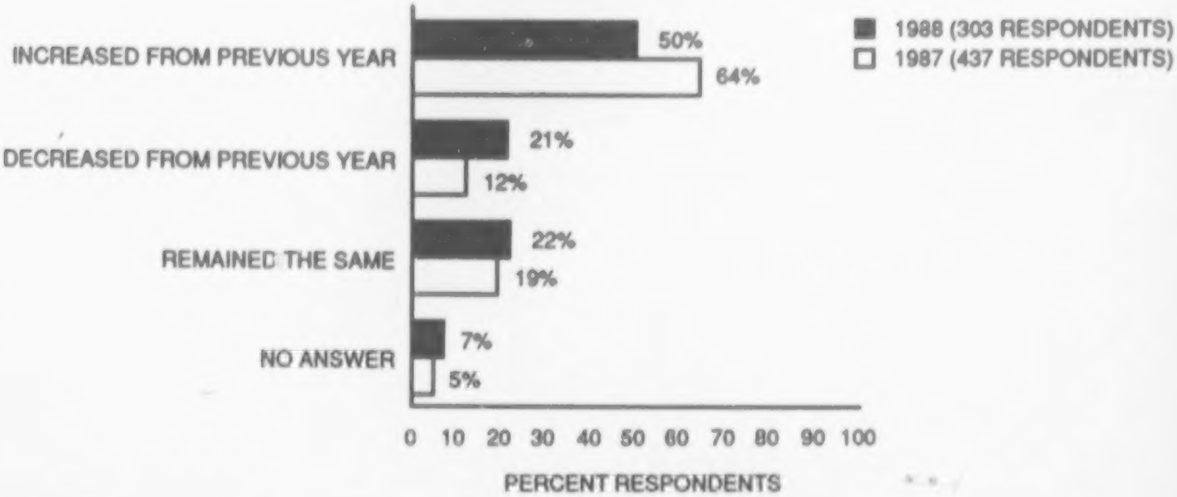
TRENDS IN LIST RENTAL PRACTICES: LIST AVAILABILITY 1988 vs 1987



Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

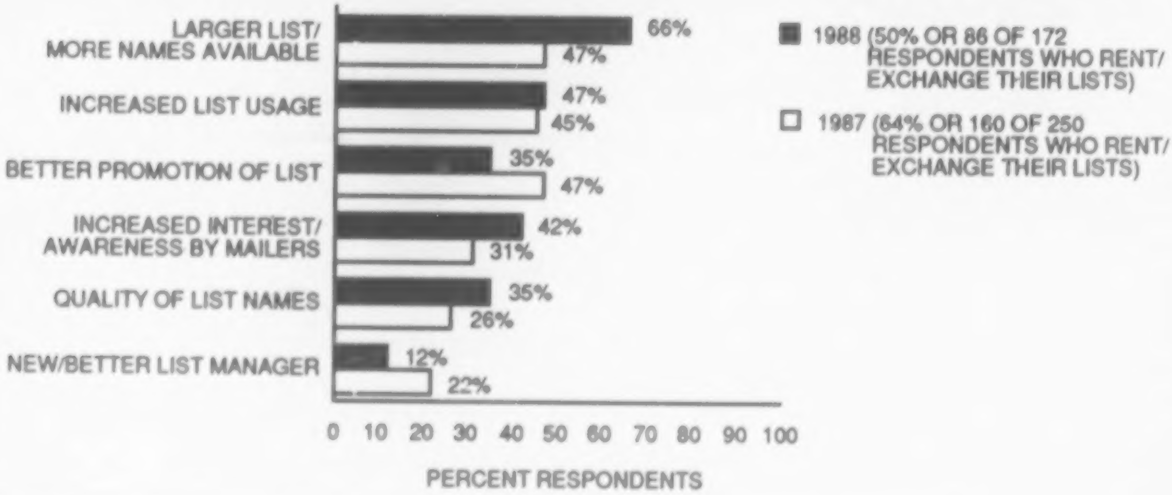
TRENDS IN LIST RENTAL INCOME: 1988 vs 1987

Fewer respondents reported list rental income increases in 1988.



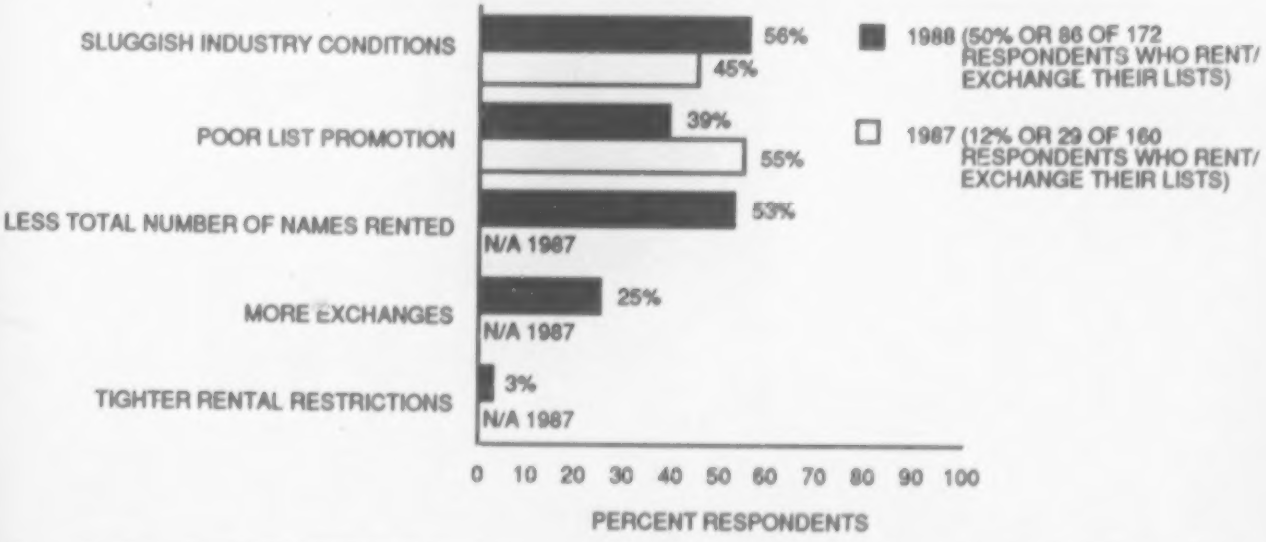
Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989.

TOP SIX REASONS FOR INCREASED LIST RENTAL INCOME IN 1988 & 1987



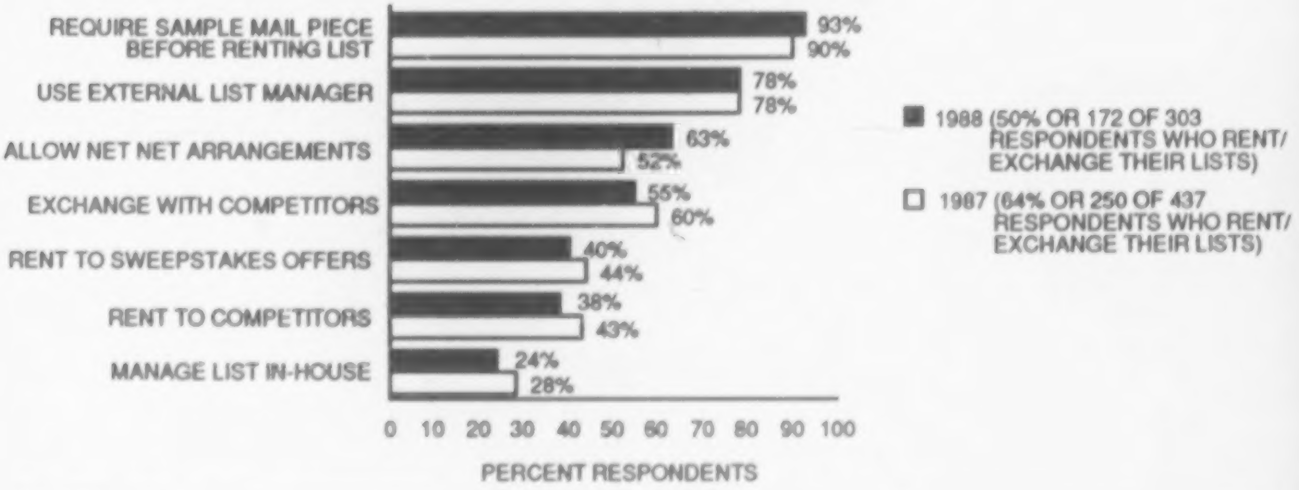
Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

TOP REASONS FOR DECREASED LIST RENTAL INCOME IN 1988 & 1987



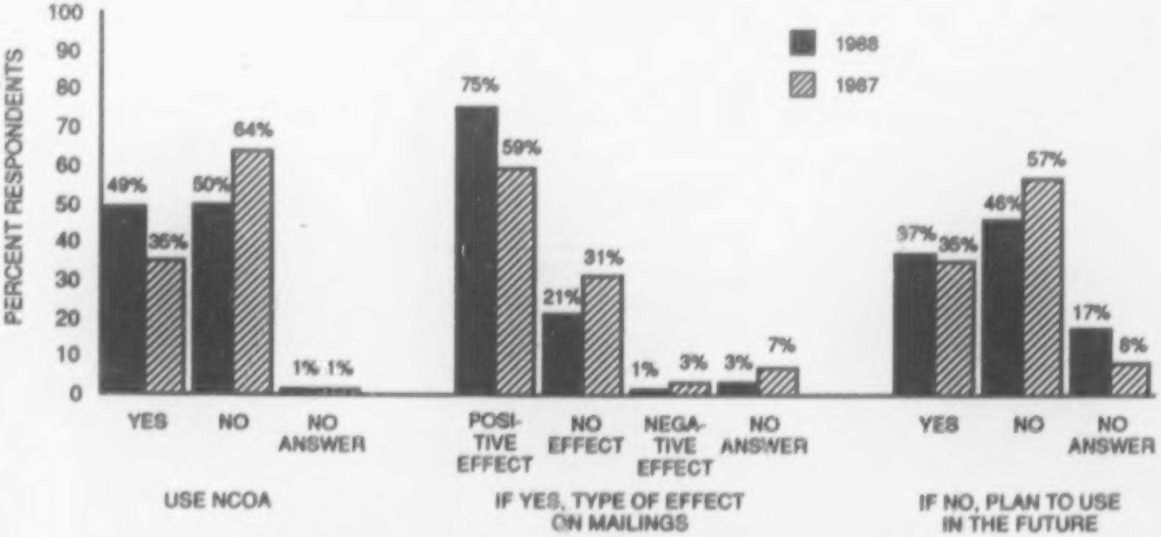
Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

TRENDS IN LIST PRACTICES UTILIZED IN 1988 & 1987



Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

TRENDS IN USAGE OF NCOA: 1988 vs 1987

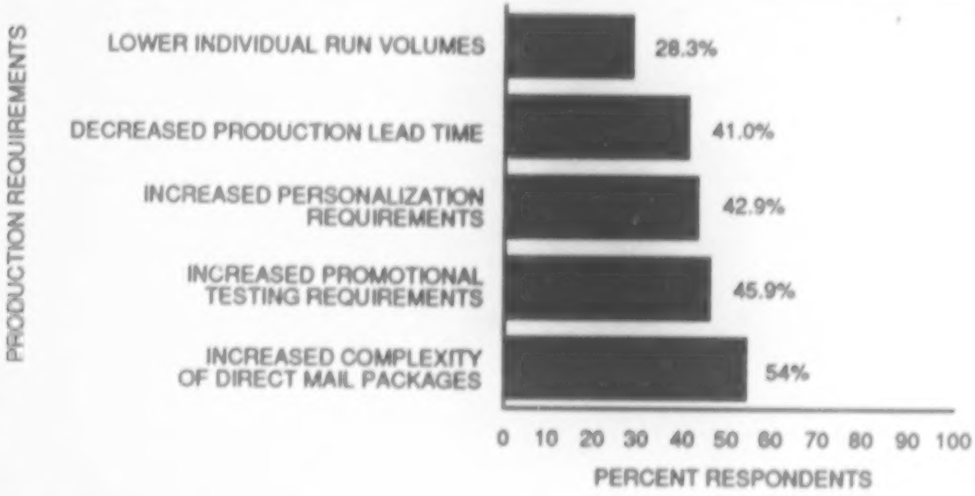


Usage of NCOA increased by 14% and effectiveness increased by 16%. However, nearly 50% of those not currently using NCOA do not plan to use it in the future.

Source: DMA's 8th & 9th Annual List Usage Surveys, DMA List Council/Research Department, 1988 & 1989

PERCEIVED CHANGES IN DIRECT MAIL PRODUCTION REQUIREMENTS IN THE PAST TWO YEARS

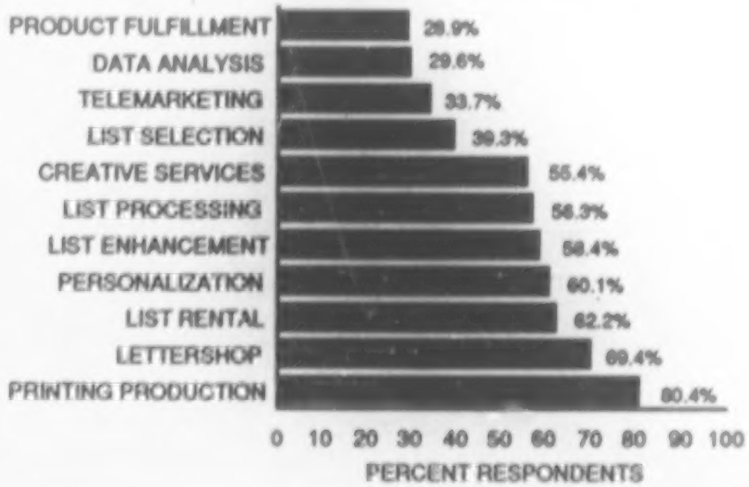
The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.



Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

PERCENT OF DIRECT MAIL SERVICES HANDLED BY OUTSIDE SUPPLIERS (EITHER PARTIALLY OR WHOLLY)

The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.



Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

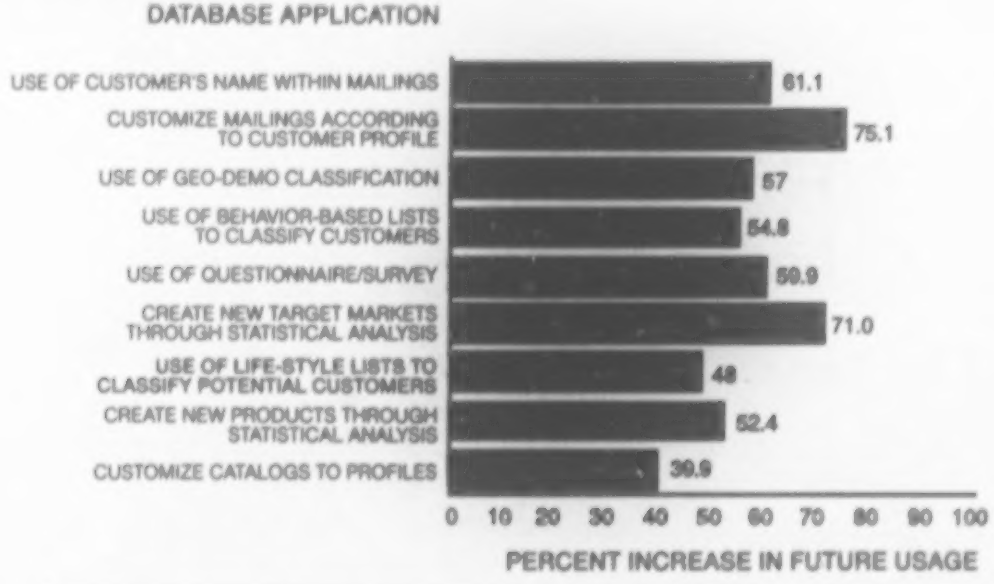
DIRECT MARKETERS' ATTITUDES ABOUT INDUSTRY GROWTH
MAJOR ISSUES NOW AND FOR DIRECT MARKETING IN THE FUTURE

Net Name Arrangement—an agreement between list owner and list user in which the list owner agrees to accept payment for only names mailed rather than the total names shipped, plus a small running charge for names provided but not mailed. Typically a minimum is set (85% is frequently used).

ISSUE	% BELIEVE MAJOR COMPANY PROBLEM	% BELIEVE INCREASING INDUSTRY PROBLEM DM USER	% BELIEVE INCREASING INDUSTRY PROBLEM DM SERVICE CO.
1) FINDING NEW LISTS	48%	74%	69%
2) DECREASING RESPONSE FROM LISTS	42%	71%	85%
3) COST OF NEW CUSTOMER NAMES	41%	71%	65%
4) INCREASING NUMBER OF NEW MAIL ORDER CUSTOMERS	40%	61%	50%
5) COST OF NEW LISTS	34%	67%	61%
6) DUPLICATE NAMES NEW VS. HOUSE LIST	27%	71%	58%
7) 85% NET NAME RULE	21%	47%	45%
8) WILLINGNESS TO RENT NAMES	12%	41%	38%

Source: DMA Research Department, 1987

EXPECTATIONS OF FUTURE INCREASE IN DATABASE USAGE BY DIRECT MARKETERS



Source: DMA Research Department, Marketing Council, 1986

MARKETS

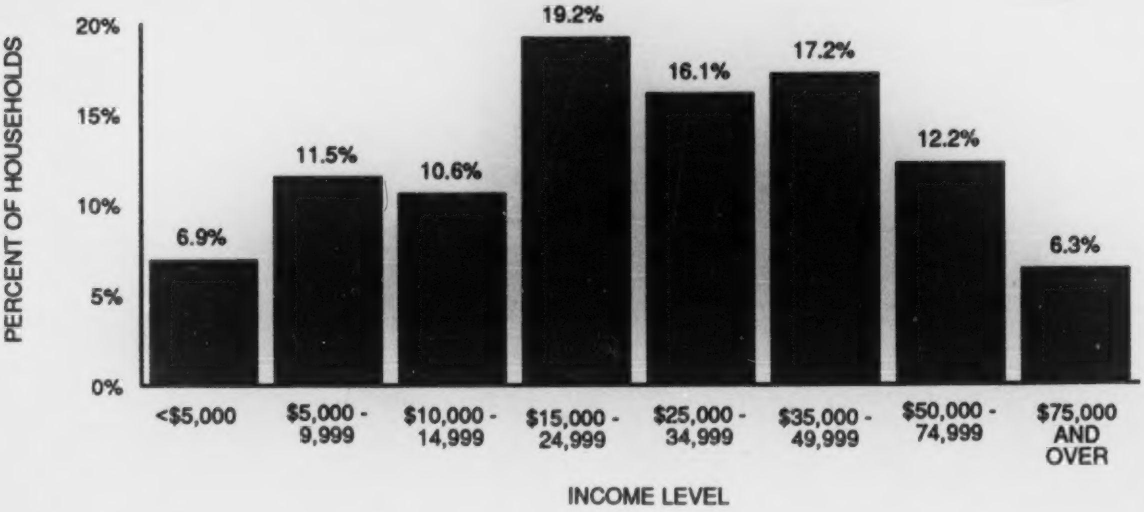
- **CONSUMER DEMOGRAPHICS**
- **BUSINESS-TO-BUSINESS**
- **FINANCIAL SERVICES**
- **CIRCULATION**
- **NON-PROFIT**
- **SPECIALIZED PRODUCTS/SERVICE MARKETS**

• CONSUMER DEMOGRAPHICS

TRENDS

PROJECTIONS

DISTRIBUTION OF HOUSEHOLDS BY INCOME LEVEL: 1987



Source: U.S. Bureau of the Census, 1989

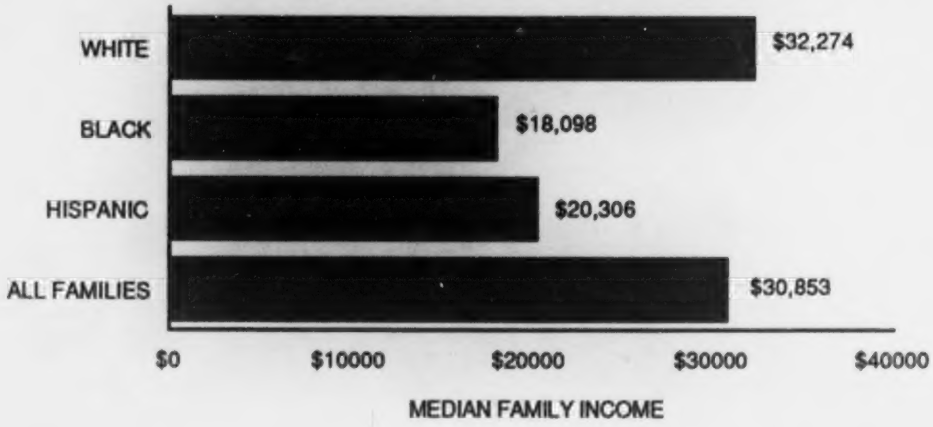
DISPOSABLE PERSONAL INCOME PER CAPITA

Disposable income—that which is available after taxes are deducted.

REGION	DISPOSABLE INCOME 1985	1986	1987
New England	13,509	14,553	15,674
Middle Atlantic	13,003	13,826	14,695
East North Central	11,746	12,398	12,990
West North Central	11,395	12,081	12,676
South Atlantic	11,284	11,976	12,710
East South Central	9,180	9,697	10,294
West South Central	10,884	10,963	11,176
Mountain	10,955	11,404	11,787
Pacific	13,318	13,982	14,690
U.S. Total	11,862	12,489	13,143

Source: U.S. Bureau of the Census, 1989

1987 MEDIAN FAMILY INCOME BY RACE



Source: U.S. Bureau of the Census, 1989.

HISPANIC POPULATION, BY AGE AND SEX: 1980 AND 1987

in thousands, except percent, 1980, as of April; 1987 as of March.

Item	Total all years	Under 5 years	5–9 years	10–14 years	15–19 years	20–24 years	25–29 years	30–34 years	35–39 years	40–44 years	45–49 years	50–54 years	55–59 years	60–64 years	65 years and over
POPULATION (IN THOUSANDS)															
1980 Total	14,609	1663	1,537	1,475	1,606	1,586	1,376	1,129	854	712	622	564	454	321	709
Males	7,280	848	783	747	827	819	697	558	416	345	300	270	217	147	305
Females	7,329	815	754	728	780	767	679	570	438	367	321	294	237	174	404
1987 Total	18,790	1,995	1,977	1,715	1,659	1,997	1,936	1,677	1,396	1,041	755	697	556	487	906
Male	9,414	1,010	1,015	873	844	1,059	981	878	705	497	357	337	252	220	388
Female	9,376	985	961	841	814	939	955	799	693	543	398	361	303	268	518
PERCENT DISTRIBUTION															
1980 Total	100.0	11.4	10.5	10.1	11.0	10.9	9.4	7.7	5.8	4.9	4.3	3.9	3.1	2.2	4.9
Male	100.0	11.6	10.8	10.3	11.4	11.3	9.6	7.7	5.7	4.7	4.1	3.7	3.0	2.0	4.2
Female	100.0	11.1	10.3	9.9	10.6	10.5	9.3	7.8	6.0	5.0	4.4	4.0	3.2	2.4	5.5
1987 Total	100.0	10.6	10.5	9.1	8.8	10.6	10.3	8.9	7.4	5.5	4.0	3.7	3.0	2.6	4.8
Male	100.0	10.7	10.8	9.3	9.0	11.2	10.4	9.3	7.5	5.3	3.8	3.6	2.7	2.3	4.1
Female	100.0	10.5	10.2	9.0	8.7	10.0	10.2	8.5	7.4	5.8	4.2	3.9	3.2	2.9	5.5

Source: U.S. Bureau of the Census, 1989.

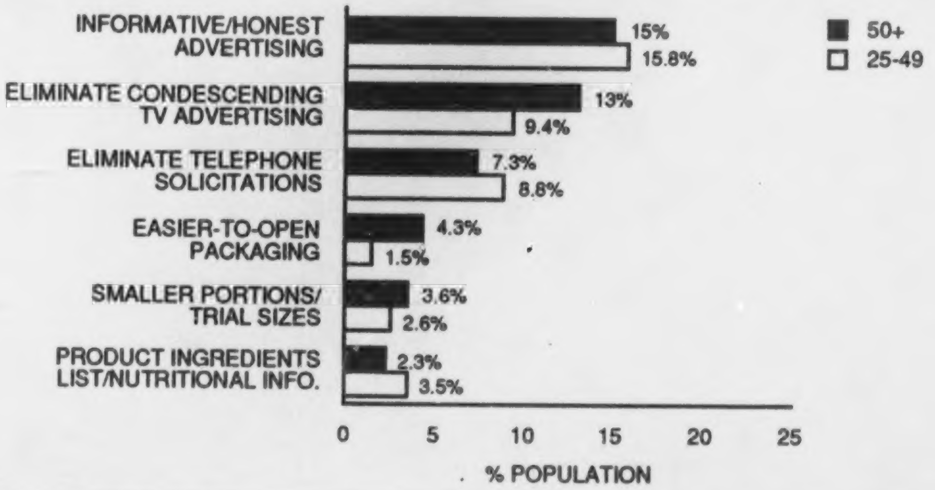
PERSONS 65 YEARS OLD AND OVER

AGE GROUP	1960	1970	1980	1987
Persons 65 years and over (total population in millions)	16.7	20.1	25.7	29.8
Percent of all ages	9.2%	9.8%	11.3%	12.2%
65–74 years	6.1%	6.1%	6.9%	7.2%
75 years and over	3.1%	3.7%	4.4%	5.0%

Source: U.S. Bureau of the Census, 1989.

DESIRED MARKETING CHANGES OF 50+ MARKET

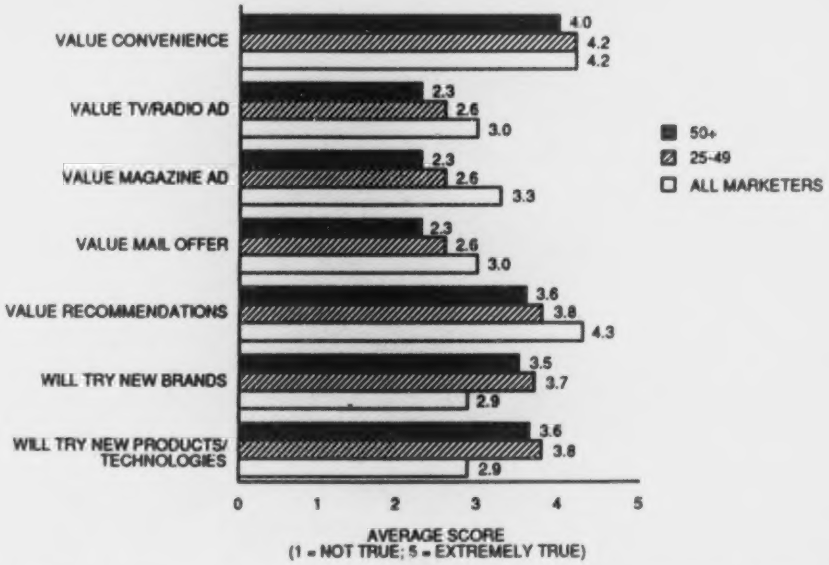
The 1988 survey "Perspectives on the Over 50 Market" was conducted in 1988 to give marketers a better understanding of the 50+ mature market. Mail surveys were sent to 1500 age 50+ households, 1000 households age 25–49, and 4000 marketing professionals. Response rates were 47.2%, 42.8%, and 21.9% respectively.



Source: Donnelley Marketing, 1988.

SHOPPING BEHAVIOR OF 50+ MARKET

The 1988 survey "Perspectives on the Over 50 Market" was conducted in 1988 to give marketers a better understanding of the 50+ mature market. Mail surveys were sent to 1500 age 50+ households, 1000 households age 25–49, and 4000 marketing professionals. Response rates were 47.2%, 42.8%, and 21.9% respectively.



Source: Donnelley Marketing, 1988

POPULATION BY AGE, 1985 TO 2000
(IN THOUSANDS)

	1985	1990	1995	2000	PERCENT CHANGE 1985-2000
ALL AGES	238.631	249.657	259.559	267.955	12.3%
UNDER 15	51.861	54.582	56.724	55.903	7.8
15 TO 24	39.717	35.548	34.110	36.088	−9.1
25 TO 34	41.788	43.529	40.520	36.415	−12.9
35 TO 44	32.004	37.847	41.997	43.743	36.7
45 TO 54	22.464	25.402	31.397	37.119	65.2
55 TO 64	22.188	21.051	20.923	23.767	7.1
65 AND OLDER	28.609	31.697	33.888	34.921	22.1

Source: American Demographics, January 1986

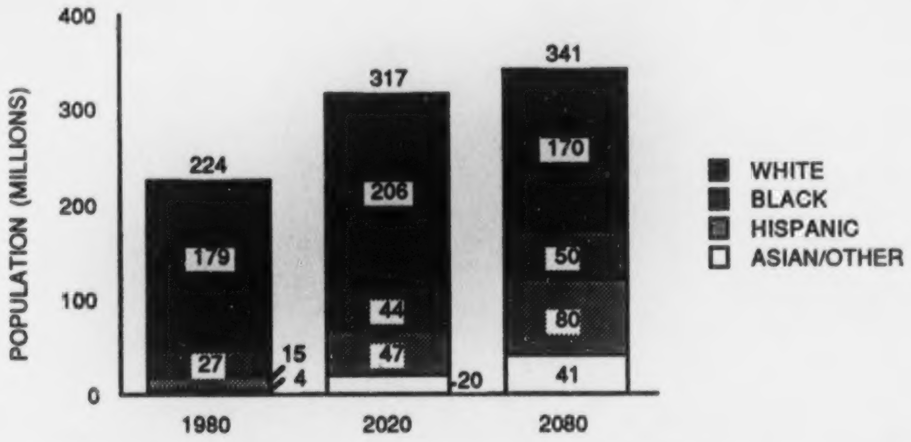
AGE GROUP AS PERCENTAGE OF TOTAL POPULATION

	1987	1990	1995	2000
20–49	45.2%	45.6%	45.2%	43.7%
50–64	13.4%	13.0%	13.4%	15.4%
65–74	7.2%	7.2%	7.1%	6.6%
75+	5.2%	5.5%	5.9%	6.4%
Total 50+	25.7%	25.7%	26.8%	28.4%

PERCENT OF TOTAL POPULATION

Source: Changing Perspectives on the Mature Consumer Market, Retail Planning Associates, 1988

POPULATION BY RACE



Sometime in the next century, blacks, Asians and hispanics will outnumber whites.

Source: Inc. Magazine Inc. Publishing Corporation, July 1987.

POPULATION BY REGION

	Population (millions)						Percent Change		
Region	1988	1989	1990	1995	2000	2010	1980–1990	1990–2000	2000–2010
Northeast	50.2	50.4	50.5	51.3	51.8	52.5	2.9%	2.4%	1.3%
Midwest	59.5	59.7	59.8	59.9	59.6	59.0	1.5%	–.3%	–1.0%
South	85.1	86.2	87.2	92.3	96.9	104.9	15.8%	11.0%	8.3%
West	50.5	51.4	52.2	56.0	59.4	65.6	21.1%	13.7%	10.4%
Total U.S.	245.5	247.7	249.9	259.6	267.7	282.0	10.3%	7.1%	5.3%

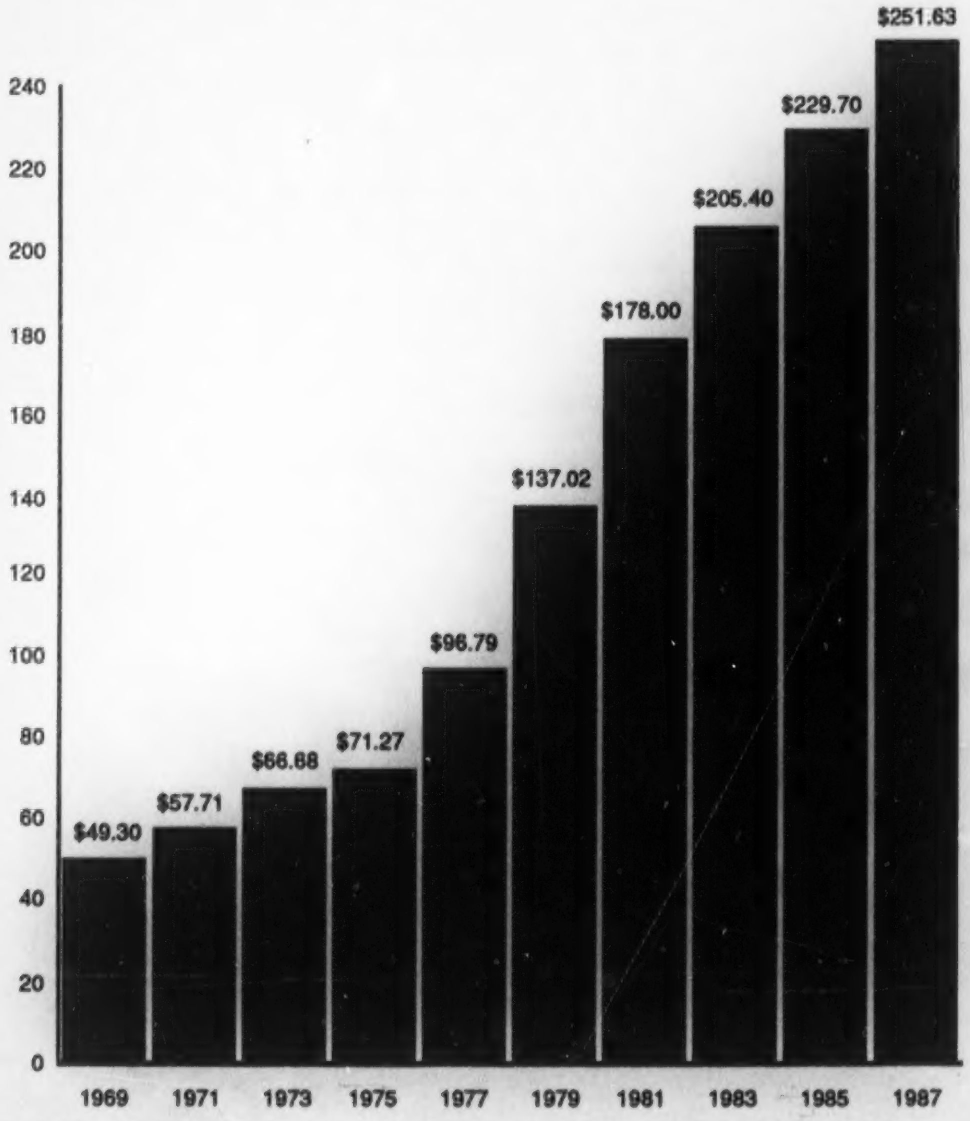
Source: U.S. Bureau of the Census, 1989.

- BUSINESS-TO-BUSINESS

COST OF AN INDUSTRIAL SALES CALL (1969-1987)

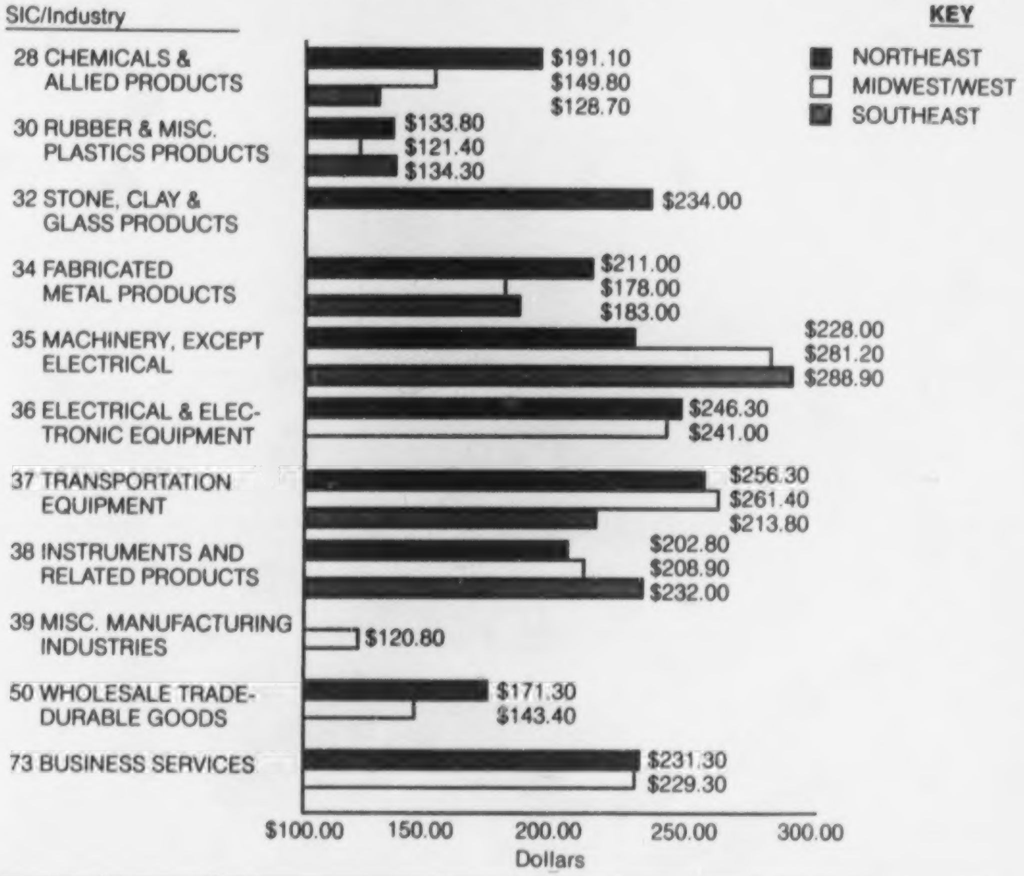
The McGraw-Hill Research "1987 Cost of a Business-to-Business Sales Call" Survey was conducted by mail questionnaire and telephone interviews in 1988 among 1,531 vice presidents of sales and sales managers in business-to-business companies from the Business Marketing subscriber list. A 55% response rate was achieved.

The cost of a face-to-face sales call on a business-to-business company rose to $251.63 in 1987, more than five times the 1969 cost of $49.30.



Source: McGraw-Hill Research, 1988.

COST OF A SALES CALL BY INDUSTRY AND REGIONS



Source: McGraw-Hill Research, 1987.

BUSINESS SALES CALL COSTS RISE AT A SLOWER RATE

The 9.5% rise in face-to-face selling costs between 1985 and 1987 represents the second lowest two-year percentage increase since 1965. The slightest increase, 6.9%, occurred between 1973 and 1975.

YEAR	COST OF SALES CALL (AVERAGE)	PERCENTAGE INCREASE IN SELLING COSTS OVER TWO YEAR PERIOD
1965	$ 35.55	13.5%
1967	42.92	20.7%
1969	49.30	14.9%
1971	57.71	17.1%
1973	66.68	15.5%
1975	71.27	6.9%
1977	96.79	35.8%
1979	137.02	41.6%
1981	178.00	29.9%
1983	205.40	15.4%
1985	229.70	11.8%
1987	251.63	9.5%

Source: McGraw-Hill Research, 1987.

COST OF A SALES CALL IN EUROPEAN COUNTRIES

The cost of a sales call in Europe has reached $640, according to a McGraw-Hill Research Study of 699 sales executives across 10 European countries. Selling costs ranged from $128.18 in Ireland to $1,439.62 in Denmark.

The McGraw-Hill Cost of a Sales Call study was conducted by mail in 1987 among 1,462 sales executives in industrial companies across 10 European countries from a subscriber list of McGraw-Hill's International Management magazine. Also a non-respondent mailing was done to increase response rates. A 50% response rate was achieved.

COUNTRIES	NUMBER OF COMPANIES REPORTING	LOCAL CURRENCY	VALUE IN LOCAL COUNTRIES' CURRENCY	U.S. DOLLARS
BELGIUM	66	BELGIAN FRANCS	27,765.50	$ 687.11
DENMARK	26	DANISH KRONE	10,567.12	1,439.62
FRANCE	72	FRENCH FRANCS	4,957.54	771.57
GERMANY	136	DEUTCSHE MARK	1,314.76	677.70
IRELAND	11	IRISH POUNDS/PUNT	91.55	128.18
ITALY	79	ITALIAN LIRE	1,093,060.25	809.20
NETHERLANDS	56	DUTCH FLORIN/GUILDER	1,181.86	539.50
SWEDEN	62	SWEDISH KRONA	4,816.39	710.32
SWITZERLAND	73	SWISS FRANCS	922.95	568.62
UNITED KINGDOM	118	POUND STERLING	204.03	303.82
TOTAL EUROPE	699			640.13

Source: McGraw-Hill Publications Company, 1987.

1989 BUSINESS-TO-BUSINESS SALARIES

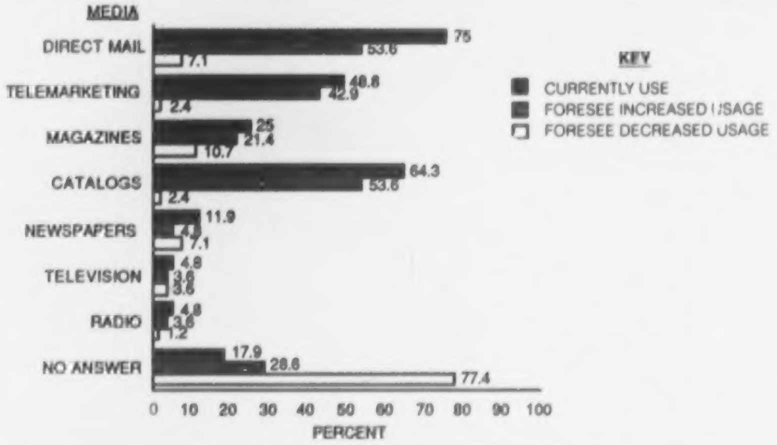
Crandall Associates, Inc. have determined the salaries by the following process: 1) Discussion with employers, from presidents to personnel officers throughout the country, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with the professionals in Direct Marketing at all salary levels, working from coast to coast; 3) Search assignments that have been received nationally, enabling Crandall Associates, Inc. to confirm salary levels that prove to be effective in recruiting candidates from each experience range, and serve as a double check on the figures.

Position Title And Description	**Years Exp.**	**Base Salary Range (excluding benefits)**		**Leading Firms**
MARKETING/Business Product Manager: Sells products or services to defined and targeted commercial markets, generally with catalogs.	1–3	$23,600	$28,100	$33,100
	4–7	$30,000	$36,100	$40,000
	7+	$38,300	$42,800	$45,400
MARKETING DIRECTOR/Industrial or Business: Identifies, develops and targets specialized audiences with products needed in business.	1–3	$39,500	$44,200	$51,000
	4–7	$49,000	$53,700	$59,700
	7+	$57,100	$62,100	$71,200

Source: Crandall Associates, Inc., 1989.

SELLING DIRECTLY
TODAY'S PATTERNS VS. TOMORROW'S EXPECTATIONS

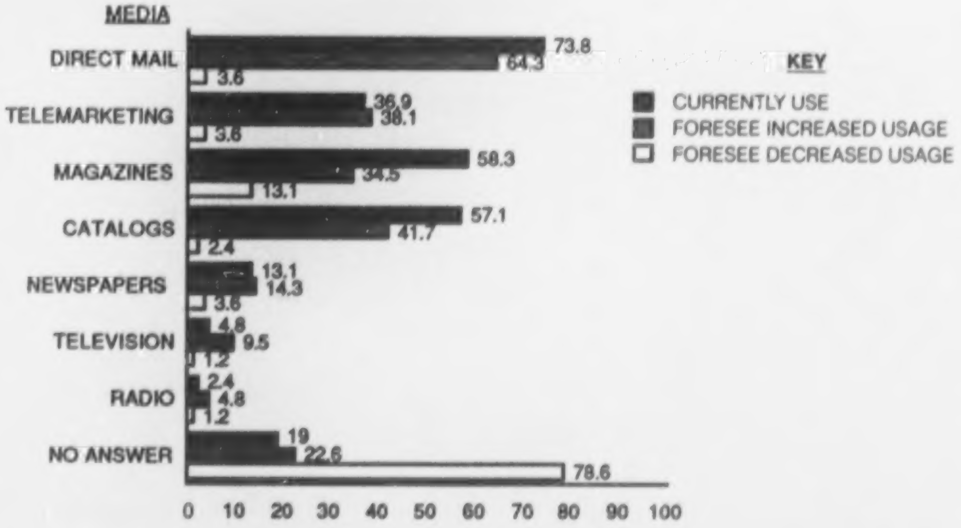
The DMA Marketing Council, Management Survey of Current Direct Marketing Practices and Trends was conducted by mail in August 1986 among 4,550 companies. A 22% response rate was achieved. The following charts summarize the key findings of Today's Patterns vs. Tomorrow's Expectations.



Source: DMA Research Department, 1986.

MEDIA USED IN BUSINESS-TO-BUSINESS LEAD GENERATION
TODAY'S PATTERNS VS. TOMORROW'S EXPECTATIONS

Lead Generation—the acquisition of prospects.



Source: DMA Research Department, 1986.

• FINANCIAL SERVICES

INSURANCE

BANKS

CREDIT CARDS

INVESTMENT SERVICES

MEDICAL, HOSPITAL OR HEALTH INSURANCE

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Bold Type #'s & % = 1988
Bottom #'s & % = 1987
1988 Base = Adults (176250)
1987 Base = Adults (173681)

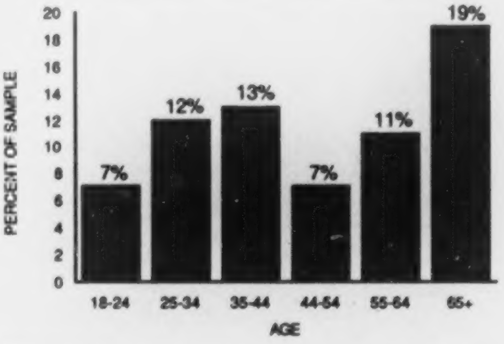
Types of Medical, Hospital or Health Insurance	**Currently Carry**		**Acquired in Last 12 Months**	
	'000	**%**	**'000**	**%**
From a Place of Work or Union	**69185**	**39.3**	**9178**	**5.2**
	70502	40.6	7901	4.5
From a Fraternal or Other Membership Group	**4296**	**2.4**	**1217**	**.7**
	3527	2.0	538	.3
Medicare	**17604**	**10.0**	**985**	**.6**
	20984	12.1	1609	.9
Medicaid	**6292**	**3.6**	**573**	**.3**
	6204	3.6	676	.4
Through an Independent Agent or Broker	**6526**	**3.7**	**1001**	**.6**
	6716	3.9	930	.5
Directly from Insurance Company	**7565**	**4.3**	**705**	**.4**
	9384	5.4	792	.5
In Response to Mail Advertising Rec'd. at Home or Office (No Agent)	**1213**	**.7**	**196**	**.1**
	1891	1.1	437	.3
In Response to Newspaper or Magazine Advertising (No Agent)	**433**	**.2**	**69**	*
	649	.4	129	.1
Other	**7270**	**4.1**	**875**	**.5**
	7901	4.5	965	.6
Do Not Know	**3589**	**2.0**		
	3758	2.2		

Source: Simmons Market Research Bureau: 1967, 1988 Study of Media and Markets

PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE

BY AGE

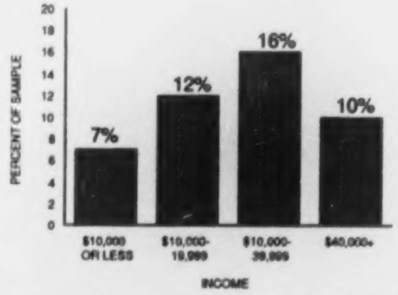
The SRI Research Center's Financial Telemarketing Study was conducted by telephone in January 1986 among 280 U.S. households.



Source: SRI Research Center, Inc., January 1987

PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE

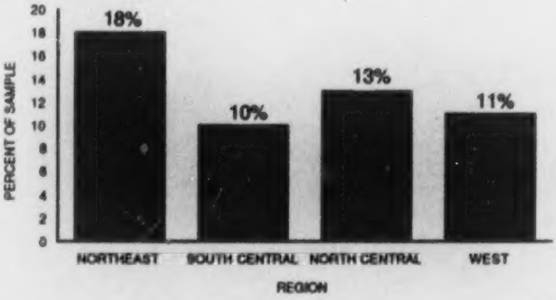
BY INCOME



Source: SRI Research Center, Inc., January 1987

PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE

BY REGION



Source: SRI Research Center, Inc., January 1987.

TYPES OF LIFE INSURANCE POLICIES CARRIED

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

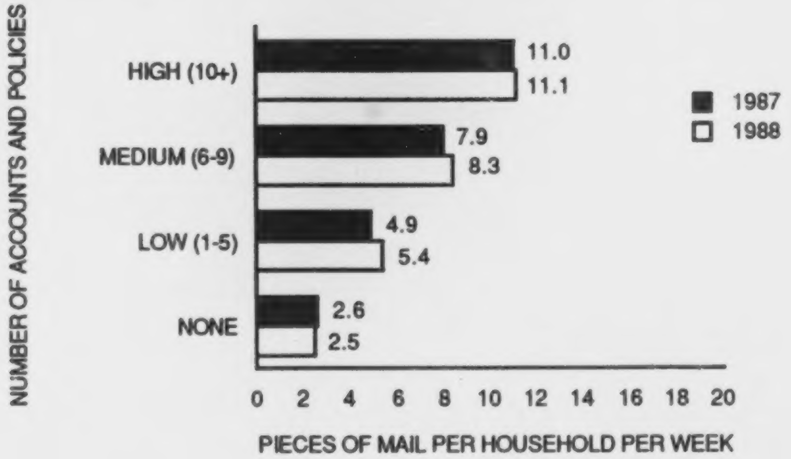
	Directly From Insurance Company		In Response To Mail Advertising Received at Home or Office (No Agent)		Through A Credit Card		With Loan, Mortgage, or Installment Payments		Through An Insurance Agent or Broker		Other	
	'000	**%**	**'000**	**%**	**'000**	**%**	**'000**	**%**	**'000**	**%**	**'000**	**%**
Currently Carry	**18745**	**10.6**	**1114**	**0.6**	**2787**	**1.6**	**4617**	**2.7**	**34342**	**19.5**	**3971**	**2.3**
	31612	18.2	1581	0.9	2122	1.2	6914	4.0	21013	12.1	5982	3.4
Face Value of Life Insurance Currently Carried												
Under $5,000	**4646**	**2.6**	**211**	**0.1**	**660**	**0.4**	**761**	**0.4**	**6285**	**3.6**	**1542**	**0.9**
	8181	4.7	358	0.2	393	0.2	1284	0.7	3910	2.3	2273	1.3
$5000–$9999	**3648**	**2.1**	**143**	**0.1**	**377**	**0.2**	**909**	**0.5**	**5472**	**3.1**	**481**	**0.3**
	4905	2.8	277	0.2	275	0.2	1442	0.8	2371	1.4	1146	0.7
$10,000–$19,999	**3239**	**1.8**	**353**	**0.2**	**476**	**0.3**	**983**	**0.6**	**4907**	**2.8**	**381**	**0.2**
	6215	3.6	356	0.2	599	0.3	1447	0.8	3629	2.1	1127	0.6
$20,000–$29,999	**1940**	**1.1**	**101**	**0.1**	**422**	**0.2**	**836**	**0.5**	**4512**	**2.6**	**509**	**0.3**
	3993	2.3	239	0.1	223	0.1	663	0.4	2442	1.4	414	0.2
$30,000–$49,999	**1153**	**0.7**	**153**	**0.1**	**196**	**0.1**	**729**	**0.4**	**2444**	**1.4**	**320**	**0.2**
	1969	1.1	84	*	105	0.1	1070	0.6	1553	0.9	272	0.2
$50,000–$74,999	**1923**	**1.1**	**4**	*	**222**	**0.1**	**314**	**0.2**	**4977**	**2.8**	**359**	**0.2**
	3189	1.8	221	0.1	83	*	596	0.3	2916	1.7	404	0.2
$75,000–$99,999	**478**	**0.3**	**81**	*	**81**	*	**53**	*	**946**	**0.5**	**153**	**0.1**
	628	0.4			80	*	78	*	630	0.4	168	0.1
$100,000 or more	**1717**	**1.0**	**69**	*	**352**	**0.2**	**232**	**0.1**	**4798**	**2.7**	**226**	**0.1**
	2533	1.5	45	*	364	0.2	335	0.2	3563	2.1	179	0.1

Bold Face #s & % are 1988
Bottom #s & % 1987
1988 Base = Adults (176250)
1987 Base = Adults (173681)

Source: Simmons Market Research Bureau: 1987, 1988 Study of Media and Markets.

THIRD-CLASS BULK REGULAR RECEIPT BY NUMBER OF FINANCIAL ACCOUNTS AND INSURANCE POLICIES

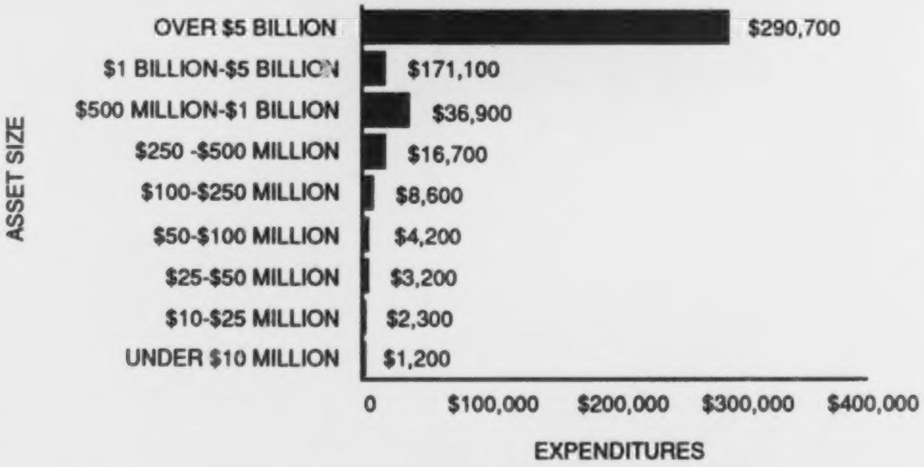
POSTAL YEAR 1987 & 1988



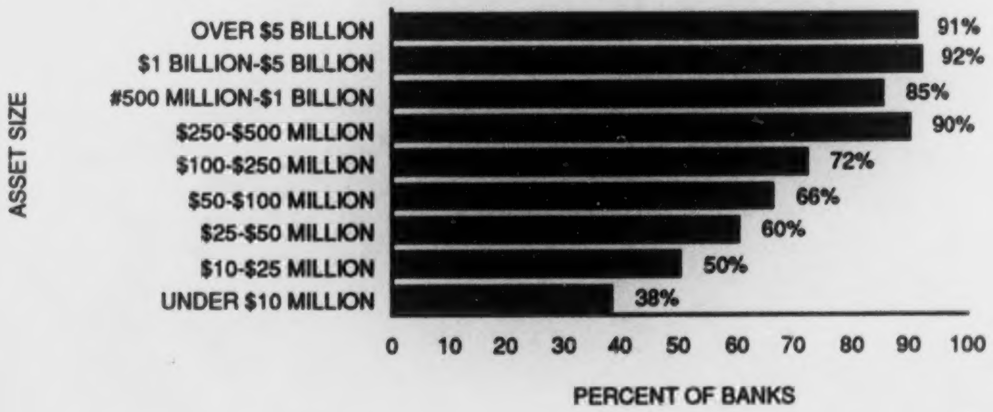
Source: USPS Household Diary Study, 1988 & 1989.

AVERAGE DIRECT RESPONSE EXPENDITURES OF BANKS BY ASSET SIZE

The Bank Marketing Association's 1988 Analysis of Bank Marketing Expenditures was conducted by mail to 9550 banks nationwide. 965 responses were received and tabulated. The charts below provide an understanding of the amount financial institutions are spending for direct response advertising (direct mail, literature, lists, postage, stuffers, telemarketing).



PERCENTAGE OF BANKS USING DIRECT RESPONSE ADVERTISING



Source: Bank Marketing Association, 1989.

CREDIT CARD OWNERSHIP

	1983	1984	1985	1986	1987
HAVE CREDIT CARDS	82%	81%	79%	79%	77%
RETAIL CARDS	71%	69%	68%	68%	62%
SEARS	53	50	49	51	44
JCPENNEY	37	35	34	35	34
MONTGOMERY WARD	21	23	20	17	15
OTHER RETAIL CARDS	45	41	41	39	35
BANK CARDS	58%	57%	56%	57%	60%
VISA	45	43	43	45	46
VISA (REGULAR)	43	40	37	40	41
VISA PREMIUM	3	5	9	7	7
MASTERCARD	36	35	34	34	36
MASTERCARD (REGULAR)	35	33	30	31	32
GOLD MASTERCARD	1	3	5	5	5
GASOLINE CREDIT CARDS	40%	35%	34%	35%	30%
TELEPHONE CREDIT CARDS	24%	26%	26%	25%	26%
THIRD PARTY CARDS	13%	13%	12%	14%	13%
AMERICAN EXPRESS	11	11	12	13	12
AMERICAN EXPRESS GREEN	9	9	9	10	9
AMERICAN EXPRESS GOLD	3	3	3	3	4
AMERICAN EXPRESS PLATINUM	NA	NA	NA	1	*
DINER'S CLUB	2	2	2	2	1
CARTE BLANCHE	1	1	0	1	1
DISCOVER	NA	NA	NA	3	9
AIRLINE CREDIT CARDS	4%	3%	3%	3%	3%
CAR RENTAL CREDIT CARDS	3%	3%	3%	3%	2%

NA = Not asked * = Less than 0.5 percent

Source: Money Magazine, 1987.

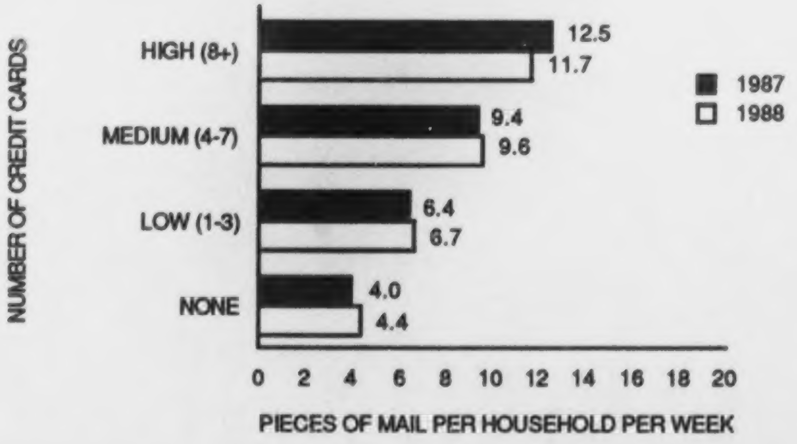
CHARGE ON CREDIT CARDS IN THE PAST 12 MONTHS

	1983	1984	1985	1986	1987
CHARGED ON CREDIT CARDS IN PAST 12 MONTHS	74%	73%	72%	72%	70%
UNDER $1,000	41	38	36	35	33
UNDER $500	23	22	21	22	20
$500–$999	18	16	15	13	13
$1,000–$2,999	21	23	23	24	23
$1,000–$1,999	13	15	15	15	16
$2,000–$2,999	8	8	8	9	7
$3,000 AND OVER	12	12	13	19	14
$3,000–$4,999	5	5	6	8	6
$5,000–$9,999	6	5	5	7	8
HAVE NOT CHARGED ON CREDIT CARDS IN PAST 12 MONTHS	26	27	28	28	30
AVERAGE AMOUNT CHARGED IN PAST 12 MONTHS—TOTAL POPULATION	$1,600	$1,600	$1,700	$2,300	$1,600
AVERAGE AMOUNT CHARGED IN PAST 12 MONTHS—AMONG THOSE WHO HAVE USED CREDIT CARDS	$1,800	$1,700	$1,900	$2,500	$2,100

Source: Money Magazine, 1987.

THIRD-CLASS BULK REGULAR MAIL RECEIPT BY NUMBER OF CREDIT CARDS

POSTAL YEARS 1987 & 1988



Source: USPS Household Diary Study, 1988 & 1989.

1987 NO-LOAD MUTUAL FUND NET SALES BY QUARTER

"Load" is the mutual fund industry's term for sales charge or commission. Load funds charge a commission of up to 8.5 percent for brokers or sales people. With no-load funds, there is no need for brokers or sales people; transactions are completed directly—usually via a *single toll free call.*

	($ MIL.)
1ST QUARTER	$17,361.6
2ND QUARTER	3,317.7
3RD QUARTER	4,350.2
4TH QUARTER	206.9
Total	$25,236.4

Source: No-Load Mutual Fund Association, Inc. 1988

NO-LOAD MUTUAL FUND SALES AS A PERCENTAGE OF TOTAL MUTUAL FUND SALES

1984–1988

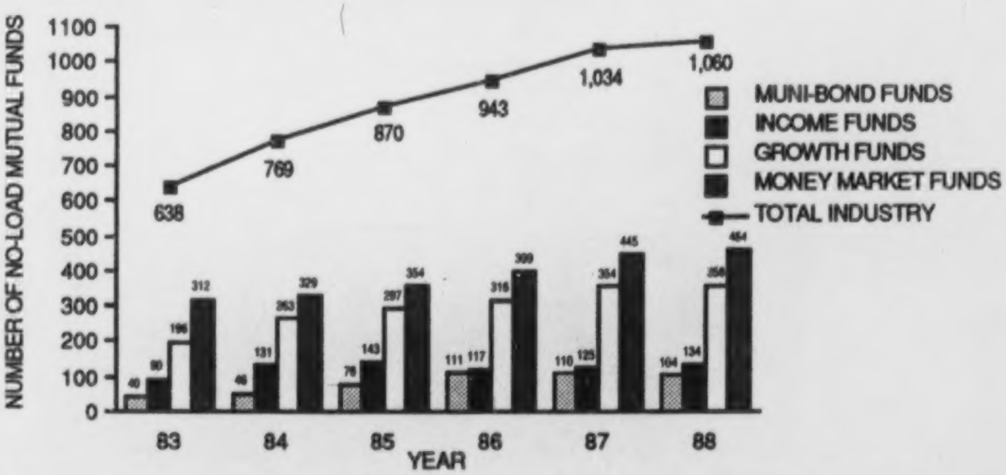
YEAR	TOTAL FUND GROSS SALES ($ MIL.)	TOTAL NO-LOAD GROSS SALES ($ MIL.)	NO-LOAD GROSS SALES AS A PERCENT OF TOTAL FUND SALES
1984	49,945.9	20,077.1	40.2%
1985	116,542.8	45,819.6	39.3%
1986	217,382.4	81,698.0	37.6%
1987	183,639.0	75,449.7	41.4%
1988*	21,557.3	7,709.7	35.8%

* First Quarter Only

Source: No-Load Mutual Fund Association, Inc. 1988

NUMBER OF NO-LOAD MUTUAL FUNDS

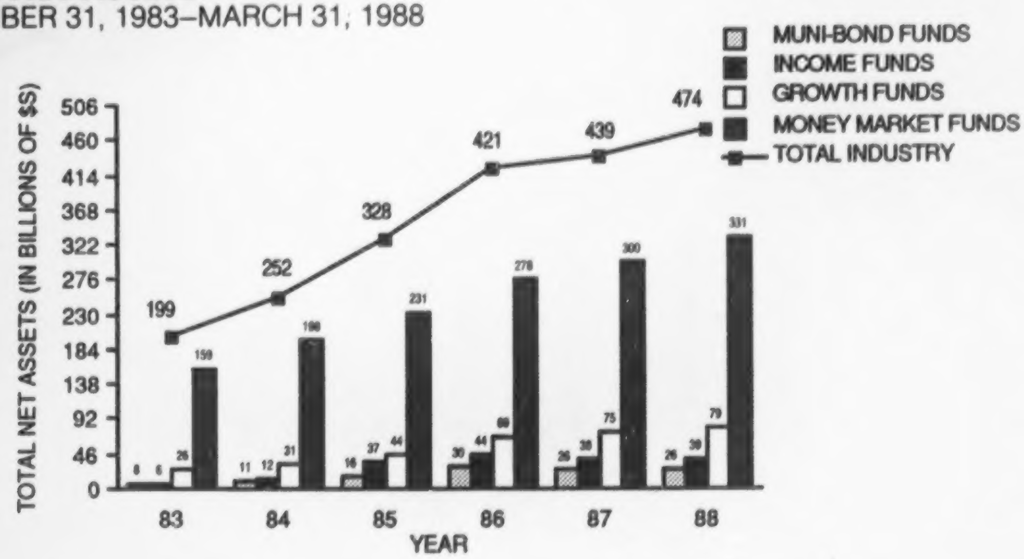
DECEMBER 31, 1983–MARCH 31, 1987



Source: No-Load Mutual Fund Association, Inc., 1988

NO-LOAD MUTUAL FUND TOTAL NET ASSETS

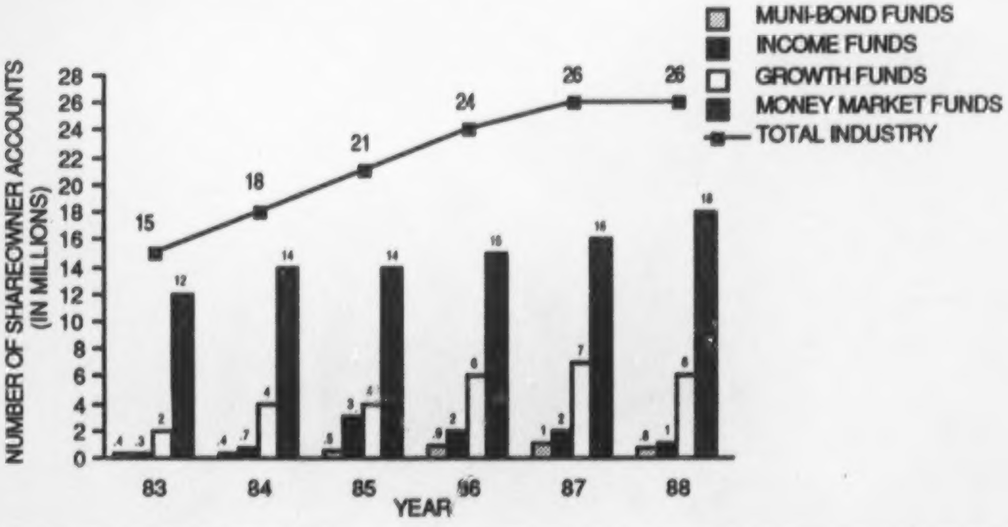
DECEMBER 31, 1983–MARCH 31, 1988



Source: No-Load Mutual Fund Association, Inc., 1988.

NO-LOAD MUTUAL FUND NUMBER OF SHAREOWNER ACCOUNTS

DECEMBER 31, 1983–MARCH 31, 1988



Source: No-Load Mutual Fund Association, Inc., 1988.

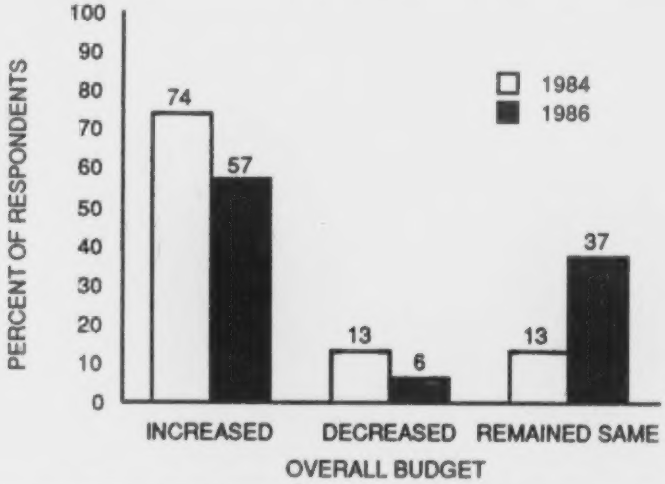
• CIRCULATION

COSTS

TRENDS

BUDGETARY CONSIDERATIONS FOR CIRCULATION PROMOTION

The DMA Research Department—Circulation Council's 1986 Periodical Publications Survey was conducted by self-administered mail survey in December 1986 among 1,535 publications. A response rate of 18% was achieved. The following (20) charts represent a portion of the findings.



Source: DMA Research Department, Circulation Council, 1986

CIRCULATION COSTS

Magazine circulation costs have risen astronomically in recent years—faster than any other line item expense on the balance sheet. Combined circulation costs are up 27.6% of total magazine revenues industrywide in 1986.

Note: Totals in $000s, reported 1979–1986; percentages of total magazine revenue, 1979–1986.

TYPES OF COSTS	1979	1980	1981	1982	1983	1984	1985	1986
Commissions to Subscription Agencies	$129,352 5.02%	$184,935 6.20%	$204,184 5.91%	$213,820 5.63%	$245,723 5.96%	$256,516 5.58%	$327,879 6.51%	$347,318 6.72%
Other Subscription Promotion Costs	$191,113 7.42%	$225,116 7.55%	$264,346 7.66%	$289,095 7.62%	$320,005 7.75%	$411,979 8.96%	$441,566 8.76%	$462,983 8.95%
Commissions on Single Copy Sales	$194,838 7.57%	$204,194 6.84%	$244,618 7.08%	$283,723 7.48%	$323,422 7.83%	$325,207 7.08%	$411,468 8.17%	$444,634 8.60%
Other Single Copy Promotion Costs	$40,748 1.58%	$43,546 1.46%	$46,728 1.35%	$60,574 1.60%	$48,911 1.18%	$44,623 0.97%	$59,235 1.18%	$55,366 1.07%
Fulfillment Costs	$63,219 2.45%	$74,568 2.50%	$88,751 2.58%	$91,598 2.41%	$96,920 2.35%	$103,042 2.24%	$113,521 2.25%	$119,139 2.30%
Total Circulation Expenses	$619,270 24.04%	$732,357 24.55%	$848,627 24.58%	$938,810 24.74%	$1,034,981 25.07%	$1,141,367 24.83%	$1,353,669 26.87%	$1,429,440 27.64%

Source: Magazine Publishers of America, 1987

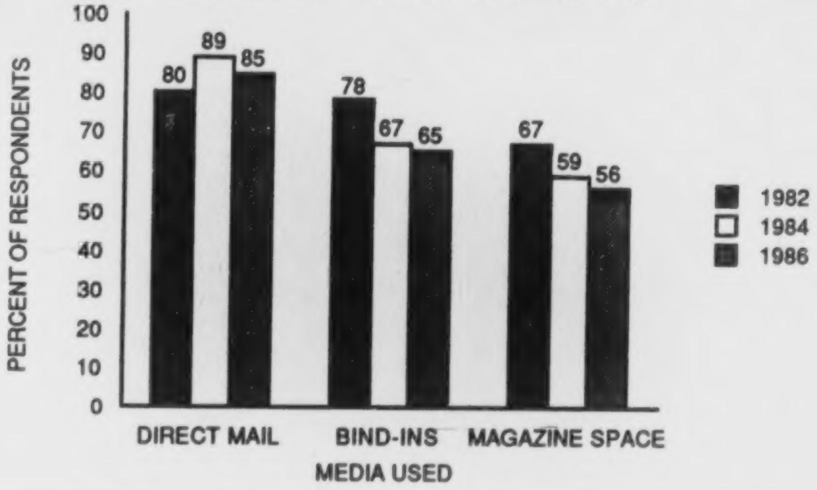
1989 CIRCULATION SALARIES

Crandall Associates, Inc. have determined the salaries by the following process: 1) Discussion with employers, from presidents to personnel officers throughout the country, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with the professionals in Direct Marketing at all salary levels, working from coast to coast; 3) Search assignments that have been received nationally, enabling Crandall Associates, Inc. to confirm salary levels that prove to be effective in recruiting candidates from each experience range, and serve as a double check on the figures.

Position Title And Description	Years Exp.	Base Salary Range (excluding benefits)		Leading Firms
CIRCULATION DIRECTOR/Consumer: Identifies the target audience, sets marketing policy and pricing and guides creative efforts and audits.	1–3	$47,800	$51,900	$56,700
	4–7	$54,300	$59,600	$63,400
	7+	$61,100	$66,700	$75,900
CIRCULATION MANAGER/Consumer: Execution of master plan. Responsible for subscriptions, renewals, newsstand and fulfillment.	1–3	$31,200	$35,700	$38,500
	4–7	$36,800	$45,000	$50,400
	7+	$47,100	$54,000	$61,200
CIRCULATION DIRECTOR/Trade: Penetrates defined audience with specific emphasis on positioning, renewals and audit bureau rules.	1–3	$29,800	$33,900	$39,300
	4–7	$36,300	$41,000	$48,900
	7+	$46,200	$51,600	$56,300
CIRCULATION MANAGER/Trade: Helps develop controlled and/or paid subscriptions and renewals; supervises the fulfillment operation.	1–3	$21,200	$24,800	$28,700
	4–7	$27,200	$31,100	$35,900
	7+	$33,800	$38,100	$39,900

Source: Crandall Associates, Inc. 1989

TYPES OF MEDIA USED FOR CIRCULATION PROMOTION

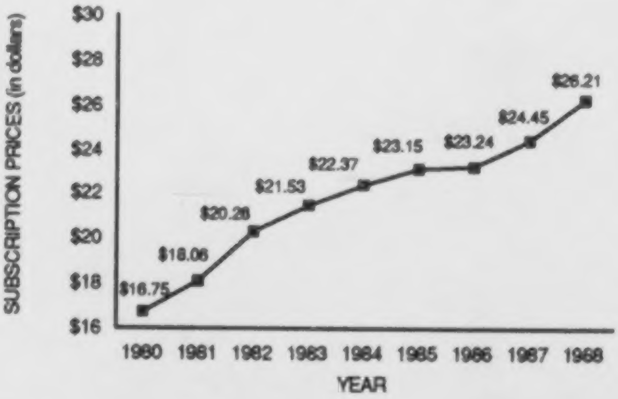


Source: DMA Research Department, Circulation Council, 1986

SUBSCRIPTION PRICE TRENDS

Following a significant price jump from 1980 to 1982, subscription prices have grown moderately (or with inflation) for several years. Several sources indicate that another price jump may be in the offing as publishers feel the pressure from mounting postage and paper costs. Since 1980, subscription prices have outpaced the consumer price index.

	Subscription Prices	vs.	Consumer Price Index
1980	100		100
1981	108		110
1982	121		117
1983	129		121
1984	134		126
1985	138		131
1986	139		133
1987	146		138
1988	156		144



Source: Magazine Publishers of America, 1989

NEW BUSINESS PROMOTION SOURCES USED

This section concentrates on the important issue of new business sources used for soliciting new publication subscriptions.

DIRECT MAIL

Year	**1982**	**1984**	**1986**
N = Sample Size	**(81)**	**(103)**	**(279)**
USAGE	80%	89%	85%
RESPONSE			
BETTER	38%	31%	45%
WORSE	24%	36%	22%
SAME	39%	30%	30%
NO ANSWER	2%	3%	4%

BLOW-INS

	1982	**1984**	**1986**
N =	**(81)**	**(103)**	**(279)**
USAGE	47%	51%	38%
RESPONSE			
BETTER	43%	21%	37%
WORSE	17%	26%	12%
SAME	32%	49%	49%
NO ANSWER	4%	4%	3%

BIND-INS

	1982	**1984**	**1986**
N =	**(81)**	**(103)**	**(279)**
USAGE	78%	67%	65%
RESPONSE			
BETTER	38%	25%	35%
WORSE	16%	19%	9%
SAME	37%	50%	52%
NO ANSWER	6%	6%	3%

MAGAZINE SPACE

	1982	**1984**	**1986**
N =	**(81)**	**(103)**	**(279)**
USAGE	67%	59%	56%
RESPONSE			
BETTER	15%	21%	24%
WORSE	6%	19%	14%
SAME	56%	52%	57%
NO ANSWER	7%	9%	5%

Source: DMA Research Department, Circulation Council, 1986.

New Business Promotion Sources cont'd.

GIFTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	61%	51%	34%
RESPONSE			
BETTER	59%	46%	37%
WORSE	10%	15%	15%
SAME	24%	35%	46%
NO ANSWER	6%	4%	2%

CATALOG AGENTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	59%	51%	31%
RESPONSE			
BETTER	19%	6%	10%
WORSE	8%	14%	8%
SAME	54%	72%	80%
NO ANSWER	19%	8%	2%

TELEPHONE—OUTBOUND

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	43%	46%	29%
RESPONSE			
BETTER	30%	44%	41%
WORSE	14%	14%	18%
SAME	30%	36%	34%
NO ANSWER	23%	5%	7%

SCHOLASTIC PLANS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	35%	32%	23%
RESPONSE			
BETTER	21%	16%	33%
WORSE	11%	16%	16%
SAME	50%	59%	50%
NO ANSWER	18%	9%	2%

DIRECT MAIL AGENTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	57%	46%	22%
RESPONSE			
BETTER	54%	26%	29%
WORSE	4%	15%	15%
SAME	28%	45%	53%
NO ANSWER	13%	13%	3%

Source: DMA Research Department, Circulation Council, 1986.

New Business Promotion Sources cont'd.

CO-OP MAILINGS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	27%	19%	15%
RESPONSE			
BETTER	27%	31%	34%
WORSE	—	23%	22%
SAME	41%	46%	41%
NO ANSWER	9%	—	3%

CASH FIELD ACCOUNTS

Cash Field Account—An agency that undertakes to sell magazine subscriptions through sales people who contact their prospects door-to-door. Sales people collect payment, send pertinent information to the publisher, and keep a portion of the revenue as commission.

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	25%	18%	11%
RESPONSE			
BETTER	15%	21%	11%
WORSE	20%	21%	4%
SAME	55%	47%	82%
NO ANSWER	10%	11%	4%

RADIO

	1982	1984*	1986
N =	(81)	(103)	(279)
USAGE	6%	8%	10%
RESPONSE			
BETTER	1%	—	24%
WORSE	2%	33%	14%
SAME	1%	33%	57%
NO ANSWER	2%	33%	5%

*Base very small (3)

NEWSPAPER INSERTS

	1982	1984	1986
N =	(81)	(103)	(279)
USAGE	17%	16%	9%
RESPONSE			
BETTER	—	27%	44%
WORSE	36%	18%	17%
SAME	36%	45%	28%
NO ANSWER	7%	9%	11%

Source: DMA Research Department, Circulation Council, 1986

New Business Promotion Sources cont'd.

NEWSPAPER SPACE

N =	1982 (81)	1984 (103)	1986 (279)
USAGE	—	15%	9%
RESPONSE			
BETTER	—	14%	19%
WORSE	—	21%	29%
SAME	—	50%	43%
NO ANSWER	—	14%	10%

CABLE TV

N =	1982 (81)	1984 (103)	1986 (279)
USAGE	—	19%	7%
RESPONSE			
BETTER	—	33%	43%
WORSE	—	—	43%
SAME	—	47%	14%
NO ANSWER	—	20%	—

TV—NETWORK/LOCAL

N =	1982 (81)	1984 (103)	1986 (279)
USAGE	22%	17%	7%
RESPONSE			
BETTER	28%	24%	31%
WORSE	39%	24%	46%
SAME	17%	41%	23%
NO ANSWER	5%	12%	—

PAID DURING SERVICE (PDS) AGENTS

PDS—term used to describe a method of paying for magazine subscriptions in installments, usually weekly or monthly, and usually collected in person by the original sales person or a representative of that company.

N =	1982 (81)	1984 (103)	1986 (279)
USAGE	15%	12%	6%
RESPONSE			
BETTER	3%	9%	13%
WORSE	2%	27%	6%
SAME	5%	45%	81%
NO ANSWER	2%	18%	—

Source: DMA Research Department, Circulation Council, 1986.

NUMBER OF ABC-AUDITED CONSUMER MAGAZINE SUBSCRIPTIONS SOLD, BY CHANNEL OF DISTRIBUTION

	1984A	1984B	1985A	1985B	1986A	1986B	1987A	1987B	1988A
MAIL/DIRECT REQUEST	91,523	90,655	95,112	94,151	88,606	94,532	96,427,677	99,595,685	94,924,357
CATALOG AGENCIES	1,360	2,438	1,512	2,344	1,543	2,264	1,418,213	2,459,413	1,505,429
PUBLISHER'S OWN	1,654	1,455	1,290	998	917	1,128	1,317,764	1,444,411	1,504,171
INDEPENDENTS	3,645	3,619	3,874	3,737	4,054	3,792	4,851,334	4,006,107	4,413,126
NEWSPAPER AGENCIES	13	19	14	23	41	21	13,004	21,307	120,197
SCHOOL, CHURCHES, ETC.	2,475	5,366	2,630	5,409	2,412	5,508	2,405,434	5,910,207	2,685,677
ASSOCIATION MEMBERSHIPS	20,112	21,882	21,656	26,700	27,984	26,152	27,562,743	30,153,998	25,596,809
ALL OTHER CHANNELS	1,212	3,816	1,247	3,965	1,410	3,845	1,485,151	1,903,629	1,516,182
TOTAL	121,994	129,250	127,335	137,327	126,967	137,242	135,481,320	145,494,757	134,265,948

A = January–June
B = July–December

Source: ABC Publisher's Statement, as Compiled by David Foster & Associates, Mount Vernon, NY 1989

ABC-AUDITED CONSUMER MAGAZINE SUBSCRIPTIONS SOLD, BY CHANNEL OF DISTRIBUTION, PERCENT OF TOTAL SOLD

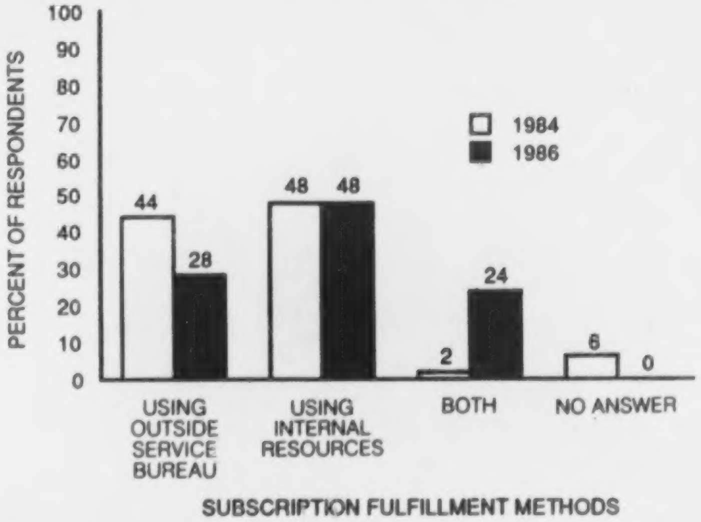
	1984A	1984B	1985A	1985B	1986A	1986B	1987A	1987B	1988A
MAIL/DIRECT REQUEST	75.02%	70.14%	74.69%	68.56%	69.79%	68.75%	71.17%	68.45%	70.70%
CATALOG AGENCIES	1.11%	1.89%	1.19%	1.71%	1.22%	1.84%	1.05%	1.69%	1.12%
PUBLISHER'S OWN	1.36%	1.13%	1.01%	0.73%	0.72%	0.83%	0.97%	0.99%	1.12%
INDEPENDENTS	2.99%	2.80%	3.04%	2.72%	3.19%	2.77%	3.58%	2.75%	3.29%
NEWSPAPER AGENCIES	0.01%	0.01%	0.01%	0.02%	0.03%	0.05%	0.01%	0.01%	0.09%
SCHOOL, CHURCHES, ETC.	2.03%	4.15%	2.07%	3.94%	1.90%	4.00%	1.78%	4.06%	2.00%
ASSOCIATION MEMBERSHIPS	16.49%	16.93%	17.01%	19.44%	22.04%	19.09%	20.34%	20. 3%	20.55%
ALL OTHER CHANNELS	0.99%	2.95%	0.98%	2.89%	1.11%	2.65%	1.10%	1.31%	1.13%

A = January–June
B = July–December

Source: ABC Publisher's Statement, as Compiled by David Foster & Associates, Mount Vernon, NY 1989.

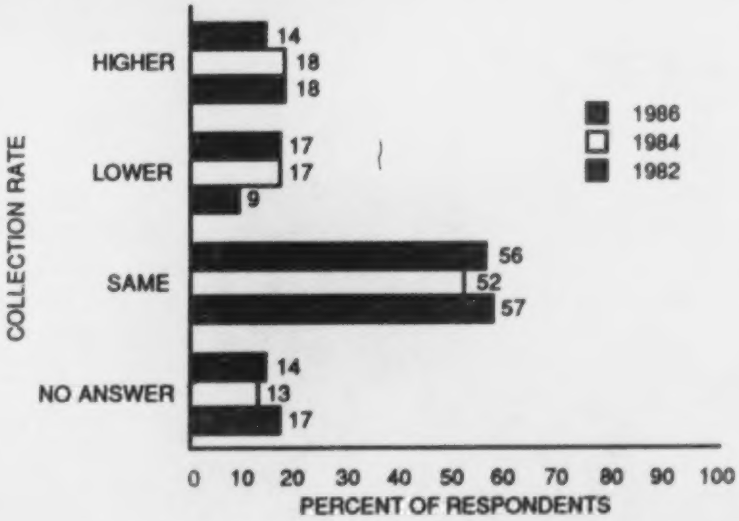
METHOD OF PERFORMING SUBSCRIPTION FULFILLMENT FUNCTIONS

The DMA Circulation Council's 1986 Periodical Publications Survey was conducted by mail in June 1987 among 1,535 publications. An 18% response rate was achieved.



Source: DMA Research Department, Circulation Council, 1986.

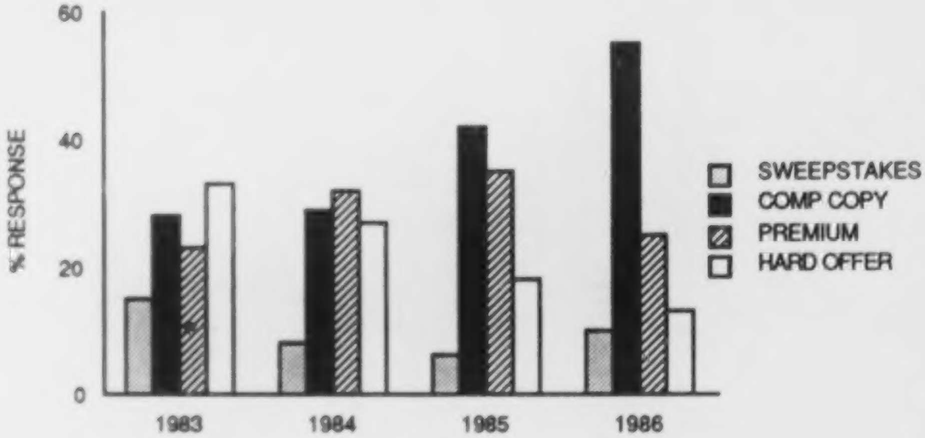
STATUS OF COLLECTION RATE ON CREDIT ORDERS COMPARED WITH PREVIOUS YEAR



Source: DMA Research Department, Circulation Council, 1986.

WHAT IS YOUR DIRECT MAIL CONTROL OFFER?

There has been a noteworthy move to comp copy subscription offers. Comp copies, sweepstakes, and premium offers now make up 87% of all direct mail solicitations, compared to 67% in 1983.

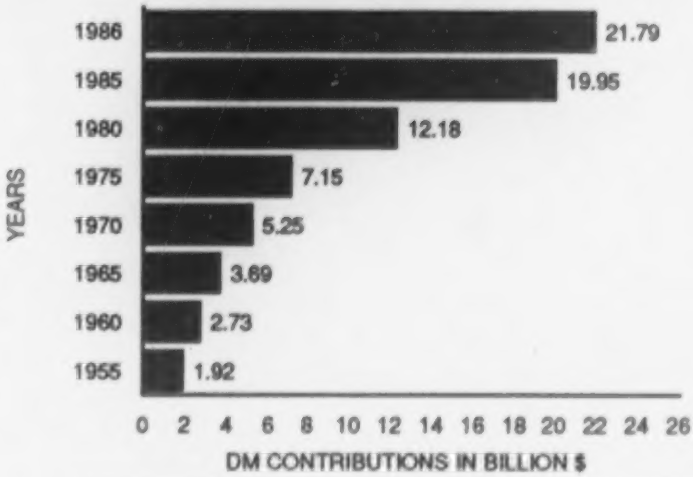


Source: Capell's Circulation Report, 1987

• NON-PROFIT

TRENDS

GROWTH OF DIRECT MAIL PHILANTHROPY
1955–1986 (IN BILLION $)



Source: American Association of Fund Raising Counsel, Inc., 1987

ESTIMATED DIRECT MAIL
CHARITABLE CONTRIBUTIONS
1983–1986

	(IN BILLION $)				% GROWTH RATE OF CONTRIBUTIONS FROM 1983 TO 1986
	1983	1984	1985	1986	
RELIGION	$ 7.75	$ 8.89	$ 9.43	$10.22	31.9%
EDUCATION	2.26	2.52	2.76	3.18	40.7
HEALTH & HOSPITALS	2.29	2.61	2.81	3.06	33.6
SOCIAL SERVICES	1.73	2.00	2.14	2.28	31.8
ARTS & HUMANITIES	1.02	1.16	1.27	1.46	43.1
CIVIC & PUBLIC	.45	.52	.56	.59	31.1
OTHER	.72	.86	.98	1.00	38.9
TOTAL	16.22	18.56	19.95	21.79	34.3%

Direct mail charitable contributions are estimated at 24.99% of total charitable contributions.

Source: American Association of Fund Raising Counsel, Inc "Giving USA—1987 Annual Report."

• SPECIALIZED PRODUCTS/ SERVICE MARKETS

RECORDS, COMPACT DISCS AND TAPES

Where Bought

The 1988 Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,251 adults, interviewed between August 3, 1987 and May 27, 1988. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

	Total U.S.	Buy Records, Discs and Tapes		By Mail or Phone From TV Offer		Other Mail Order		Record and Tape Club	
	'000	'000	%	'000	%	'000	%	'000	%
Total Adults	176250	77352	43.9	7116	4.0	7261	4.1	18621	10.6
Males	84066	35733	42.5	3077	3.7	3285	3.9	8704	10.4
Females	92184	41619	45.1	4039	4.4	3976	4.3	9917	10.8
18–24	26535	14148	53.3	1064	4.0	1267	4.8	3769	14.2
25–34	42634	22236	52.2	1836	4.3	2194	5.1	5051	11.8
35–44	33688	17648	52.4	1521	4.5	1405	4.2	4523	13.4
45–54	23361	9830	42.1	985	4.2	1041	4.5	2317	9.9
55–64	22021	7439	33.8	898	4.1	798	3.6	1769	8.0
65 or older	28011	6052	21.6	811	2.9	555	2.0	1192	4.3
Northeast-Census	37366	15768	42.2	1500	4.0	1197	3.2	3756	10.1
Midwest	43426	19869	45.8	1832	4.2	2388	5.5	4464	10.3
South	60402	24689	40.9	1846	3.1	1653	2.7	7631	12.6
West	35057	17025	48.6	1938	5.5	2023	5.8	2770	7.9
Household income $60,000 +	20289	10611	52.3	*821	4.0	869	4.3	2658	13.1
$50,000 or more	31340	16618	53.0	1355	4.3	1377	4.4	4040	12.9
$40,000 or more	53108	27828	52.4	2443	4.6	2542	4.8	6626	12.5
$30,000 or more	82233	42251	51.4	3722	4.5	4086	5.0	10048	12.2
$30,000–$39,999	29126	14424	49.5	1279	4.4	1544	5.3	3423	11.8
$20,000–$29,999	34891	16098	46.1	1596	4.6	1610	4.6	3986	11.4
$10,000–$19,999	37097	12950	34.9	1384	3.7	1208	3.3	3204	8.6
Under $10,000	22029	6053	27.5	*414	1.9	*357	1.6	1383	6.3

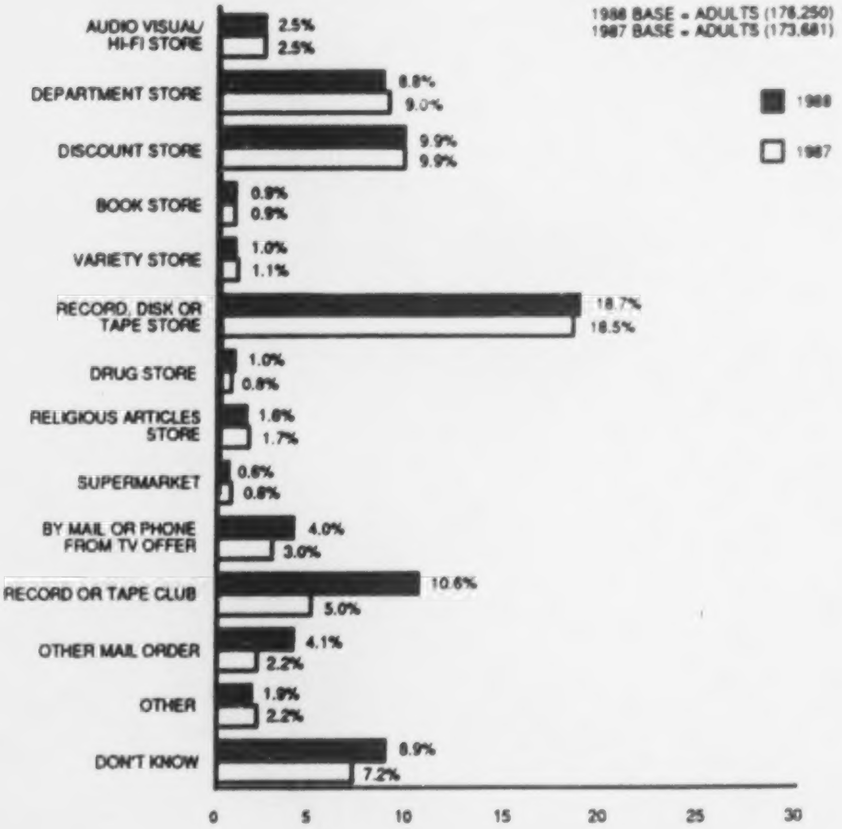
* Projection Relatively Unstable Because of Sample Base—Use With Caution.

Source: Simmons Market Research Bureau: 1988 Study of Media and Markets

RECORDS, DISCS AND TAPES

Where did you buy your records, discs or prerecorded tapes in the last 12 months?

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

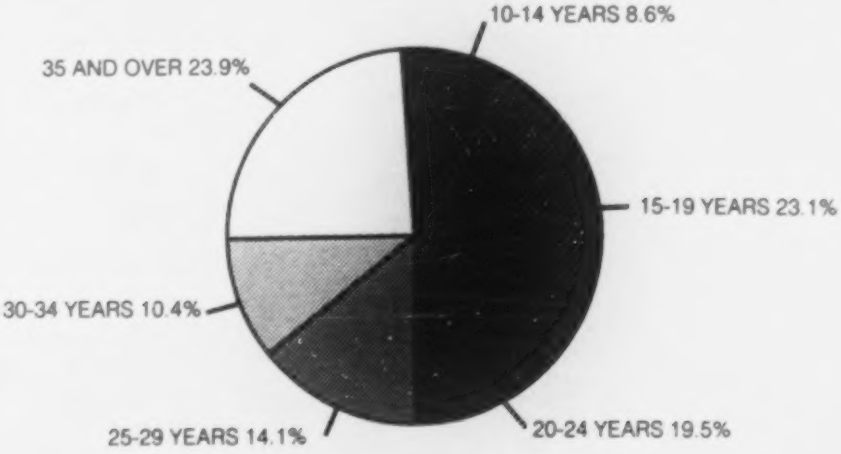


Source: Simmons Market Research Bureau: 1987, 1988 Study of Media and Markets.

TOTAL RECORDS AND PRERECORDED TAPES PURCHASED BY AGE BASED ON DOLLAR VOLUME 1986

The Chilton Market Research Services conducted personal interviews every month in 1986 among 1,250 males and females. Consumer Purchasing habits are shown in the following (2) charts.

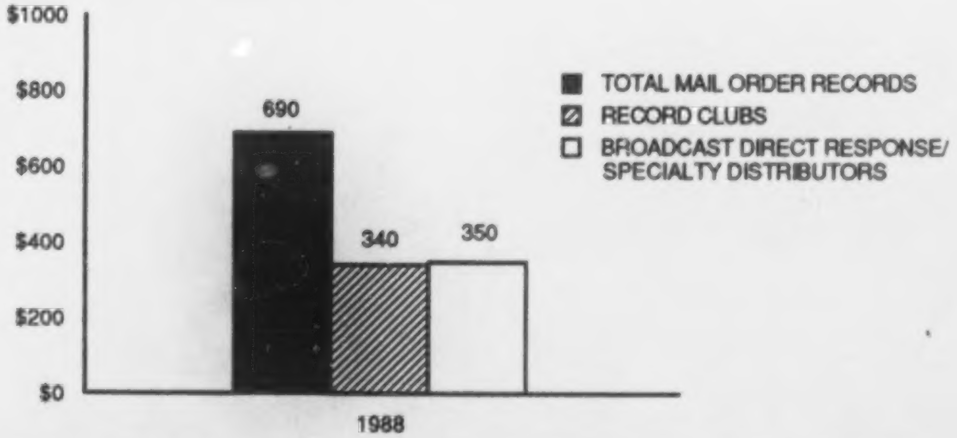
More than half of the dollars spent in 1986 were by consumers under the age of 25.



Source: Recording Industry Association of America, 1987

1988 MAIL ORDER RECORD MARKET SALES BY TOTALS AND SUB-SEGMENT

(IN MILLION $)



Source: 1988 Guide To Mail Order Sales, Marketing Logistics.

BOOK CLUBS

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

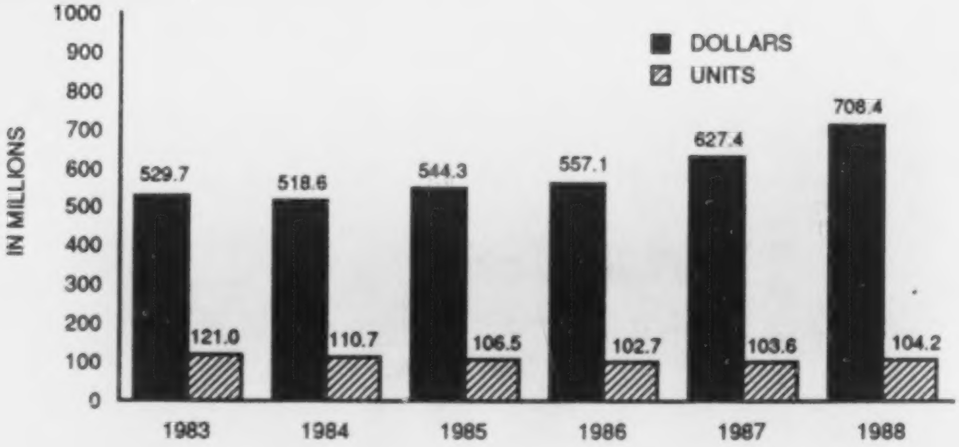
Bold Type #'s & % = 1988
Regular Type #'s & % = 1987

	Total U.S.	Belong to a Book Club		Males		Females	
	'000	'000	%	'000	%	'000	%
Total Adults	**176250**	**17388**	**9.9**	**7300**	**4.1**	**10087**	**5.7**
	173681	18131	10.4	7256	4.2	10874	6.3
Males	**84066**	**7300**	**8.7**	**7300**	**8.7**	**0	**0.0
	82598	7256	8.8	7256	8.8	**0	**0.0
Females	**92184**	**10087**	**10.9**	**0	**0.0	**10087**	**10.9**
	91083	10874	11.9	**0	**0.0	10874	11.9
18–24	**26535**	**2339**	**8.8**	**1059**	**4.0**	**1280**	**4.8**
	21754	3143	11.6	1166	4.3	1977	7.3
25–34	**42634**	**4551**	**10.7**	**1709**	**4.0**	**2842**	**6.7**
	42000	5177	12.3	2095	5.0	3082	7.3
35–44	**33688**	**3751**	**11.1**	**1479**	**4.4**	**2272**	**6.7**
	32529	3333	10.2	1470	4.5	1863	5.7
45–54	**23361**	**2409**	**10.3**	**1145**	**4.9**	**1264**	**5.4**
	22698	2231	9.8	886	3.9	1345	5.9
55–64	**22021**	**2179**	**9.9**	**1001**	**4.5**	**1178**	**5.3**
	21980	2393	10.9	1075	4.9	1318	6.0
65 or older	**28011**	**2159**	**7.7**	**907**	**3.2**	**1252**	**4.5**
	27319	1854	6.8	564	2.1	1289	4.7
Northeast-Census	**37366**	**3763**	**10.1**	**1561**	**4.2**	**2202**	**5.9**
	37504	3637	9.7	1393	3.7	2244	6.0
Midwest	**43426**	**3241**	**7.5**	**1299**	**3.0**	**1943**	**4.5**
	42665	3992	9.4	1350	3.2	2641	6.2
South	**60402**	**7238**	**12.0**	**2911**	**4.8**	**4327**	**7.2**
	59354	7292	12.3	3186	5.4	4106	6.9
West	**35057**	**3145**	**9.0**	**1529**	**4.4**	**1616**	**4.6**
	34158	3210	9.4	1327	3.9	1883	5.5
Household income $60,000 +	**20289**	**2432**	**12.0**	**1285**	**6.3**	**1147**	**5.7**
	16548	2328	14.1	1211	7.3	1116	6.7
$50,000 or more	**31340**	**3919**	**12.5**	**2006**	**6.4**	**1913**	**6.1**
	26626	3874	14.5	1877	7.0	1998	7.5
$40,000 or more	**53108**	**6341**	**11.9**	**3039**	**5.7**	**3302**	**6.2**
	47419	6480	13.7	3025	6.4	3455	7.3
$30,000 or more	**82233**	**9622**	**11.7**	**4535**	**5.5**	**5087**	**6.2**
	76841	10244	13.3	4419	5.8	5825	7.6
$30,000–$39,999	**29126**	**3281**	**11.3**	**1497**	**5.1**	**1785**	**6.1**
	29422	3765	12.8	1395	4.7	2370	8.1
$20,000–$29,999	**34891**	**3706**	**10.6**	**1464**	**4.2**	**2242**	**6.4**
	35594	3591	10.1	1299	3.6	2292	6.4
$10,000–19,999	**37097**	**3022**	**8.1**	**1077**	**2.9**	**1946**	**5.2**
	36140	3076	8.5	1236	3.4	1840	5.1
Under $10,000	**22029**	**1038**	**4.7**	*225	**1.0**	**813**	**3.7**
	25107	1220	4.9	*302	1.2	917	3.7

* Projection relatively unstable because of sample base—use w/caution.
**Number of cases too small for reliability—shown for consistency only.

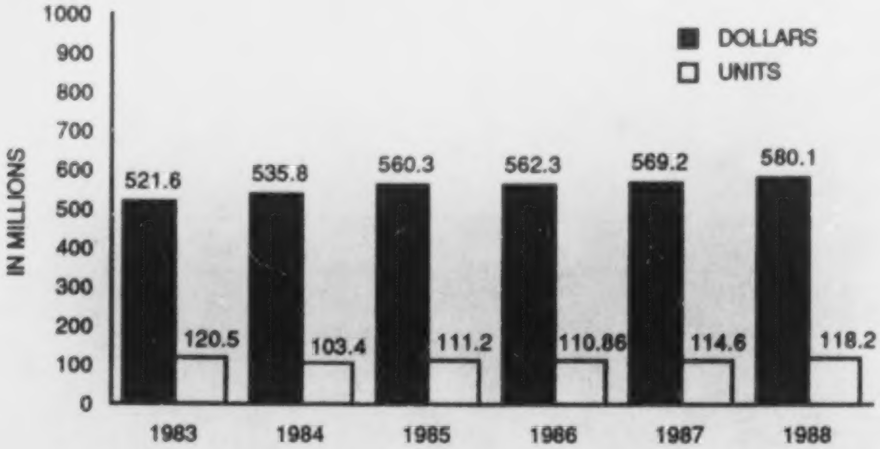
Source: Simmons Market Research Bureau: 1987, 1988 Study of Media and Markets.

BOOK CLUB SALES 1983–1988
IN DOLLARS AND UNITS



Source: Book Industry Study Group, 1988.

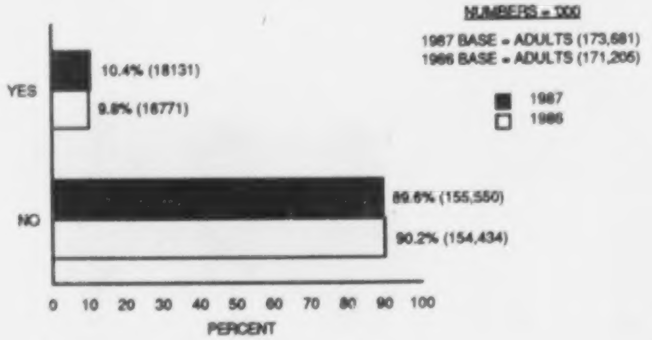
MAIL ORDER PUBLICATION SALES 1983–1988
IN DOLLARS AND UNITS



Source: Book Industry Study Group, 1988.

BOOK CLUBS

Do you yourself currently belong to any book clubs?



Note: Number in ( ) is in '000.

Source: Simmons Market Research Bureau, Inc., 1986 & 1987

PERCENTAGE OF COLLEGE AND UNIVERSITY ADVERTISING BUDGETS SPENT ON VARIOUS MEDIA

The Journal of Direct Marketing's "Direct Mail Marketing in Higher Education," Vol. 1, No. 2 by Helen M. Burdinski and William L. Shanklin was conducted by Mail Survey in Spring 1987 among 400 college/universities. A 52% response rate was achieved.

	% of Advertising Budget		
TYPE OF MEDIA	**LARGE UNIVERSITIES**	**MEDIUM-SIZED UNIVERSITIES**	**SMALL COLLEGES**
DIRECT MAIL	24.7%	24.1%	32.1%
MAGAZINES	3.8	5.2	20.5
NEWSPAPERS	41.6	34.9	39.0
OUTDOOR	4.6	4.5	1.4
RADIO	35.6	14.6	11.4
TELEVISION	7.3	16.7	4.7
TRANSIT	0.7	0.2	1.1

*These columns do not total 100% because the cells indicate mean or average responses across all respondents. For instance, on average, the large institutions spent 24.7% of their total advertising budget on direct mail.

Source: Journal of Direct Marketing, Helen M. Burdenski & William L. Shanklin, 1987

FEATURES EMPHASIZED IN ADVERTISING BY COLLEGES AND UNIVERSITIES

FEATURE	**LARGE UNIVERSITIES**	**MEDIUM-SIZED UNIVERSITIES**	**SMALL COLLEGES**
ACADEMIC REPUTATION*	90.9%	90.9%	78.7%
COURSE OFFERINGS	59.1	68.2	44.3
FACULTY REPUTATION	40.9	77.3	45.5
FACULTY/STUDENT RELATIONSHIPS	31.8	72.7	79.3
LOW COSTS	36.4	45.5	28.1
FRIENDLY	72.7	77.3	76.9
SMALL CLASSES	27.3	68.2	75.2
RELIGIOUS ORIENTATION	9.1	13.6	43.0
SAFE CAMPUS	18.2	4.5	14.9

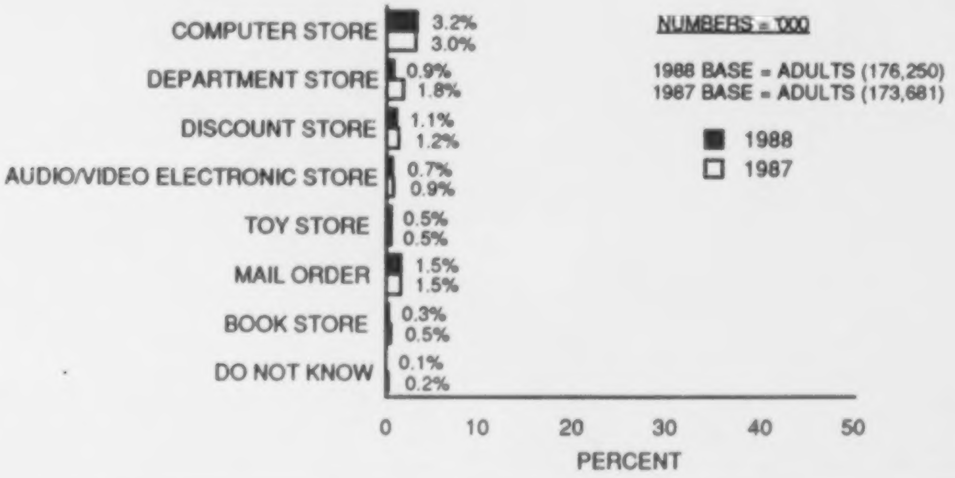
*Read: 90.9% of the universities with a student body of 10,000 or more undergraduates emphasize their academic reputation as a key selling point or benefit in their direct mail literature to prospective students.

Source: Journal of Direct Marketing, Helen M. Burdenski & William L. Shanklin, 1987

SOFTWARE

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

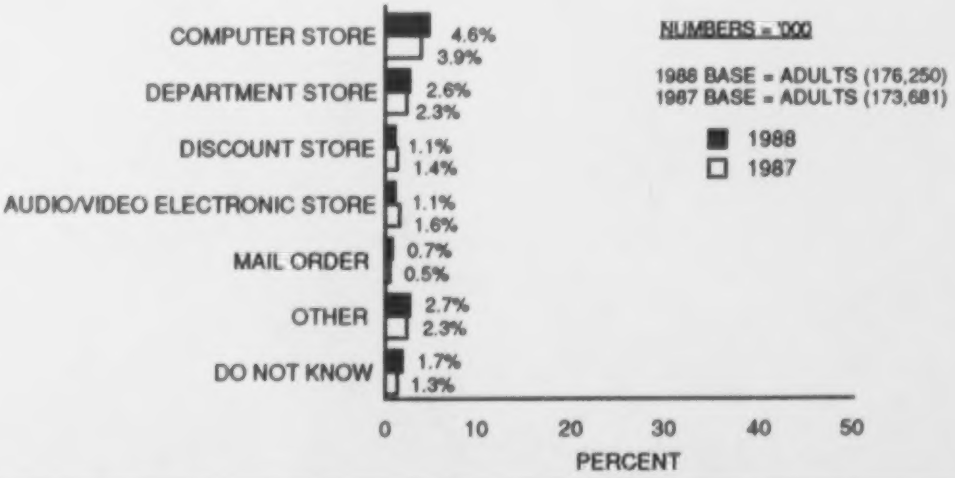
Where did you purchase your software programs in the last 12 months?



Source: Simmons Market Research Bureau: 1987, 1988 Study of Media and Markets

PERSONAL COMPUTERS

Where was it purchased?

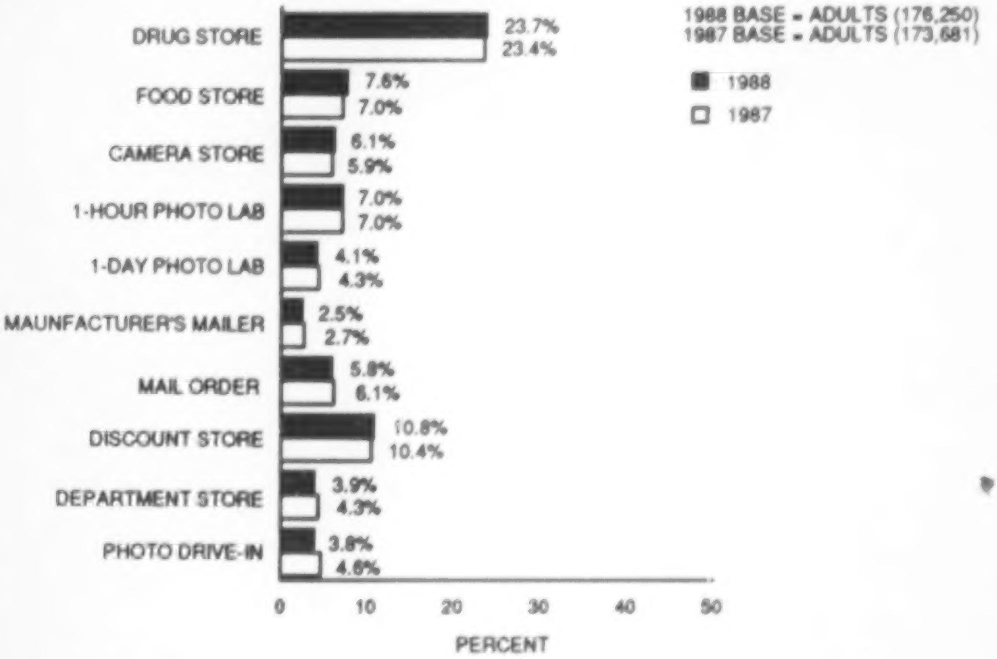


Source: Simmons Market Research Bureau: 1987, 1988 Study of Media and Markets

FILM PROCESSING

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,146 adults in 1987 and 19,251 in 1988, interviewed between the months of August and June. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Where did you take or send your film for processing?



Source: Simmons Market Research Bureau 1987, 1988 Study of Media & Markets

DIRECT MARKETING MANAGEMENT BASICS

- **CUSTOMER SERVICE**
- **USPS INFORMATION**

• CUSTOMER SERVICE

CONSUMER ATTITUDES

COSTS

TRENDS

ASSESSMENT OF EFFORT TO GET PROBLEM CORRECTED

The Technical Assistance Research Programs Institute's "Consumer Complaint Handling in America: An Update Study," consists of analyses drawn from Council of Better Business Bureaus, A.C. Nielsen, independent corporations, various publications, and Technical Assistance Research Programs' secondary research in 1986.

ASSESSMENT	PERCENTAGE OF HOUSEHOLDS TAKING ACTION TO RESOLVE THEIR MOST SERIOUS PROBLEM*
I RECEIVED MORE THAN I ASKED FOR	1.1
I WAS COMPLETELY SATISFIED	21.4
I WAS NOT COMPLETELY SATISFIED, BUT THE SOLUTION WAS ACCEPTABLE	20.1
I WAS NOT COMPLETELY SATISFIED, BUT I DID GET SOMETHING	12.8
I WAS NOT AT ALL SATISFIED	41.1
OTHER (INCLUDING DON'T KNOW)	3.5

*N = 562 households which took action to resolve their most serious problem.

Source: Technical Assistance Research Programs Institute, 1986.

REASONS FOR NOT COMPLAINING

REASON FOR NOT COMPLAINING	PERCENTAGE OF HOUSEHOLDS TAKING NO ACTION*
WAS NOT WORTH THE TIME OR EFFORT	55.6
DID NOT KNOW WHERE TO GO, WHAT TO DO	13.5
DECIDED NO ONE WOULD BE CONCERNED ABOUT MY PROBLEM OR INTERESTED IN IT	21.1
OTHER	9.9

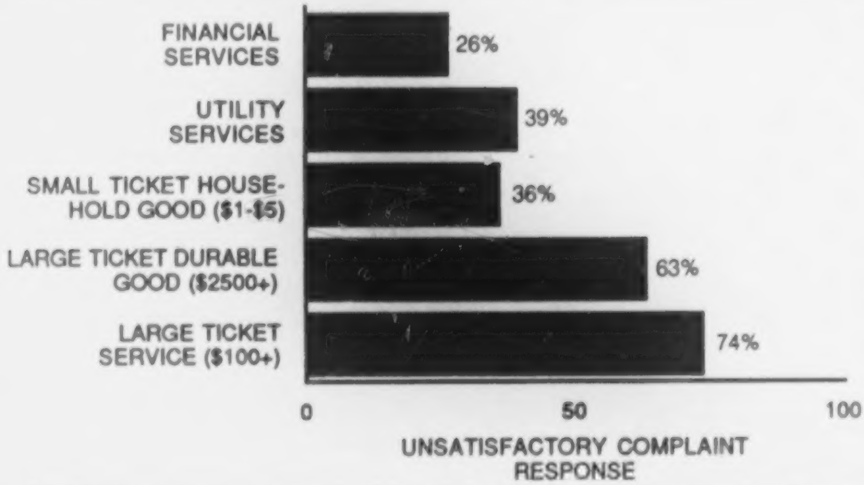
*N = 252 households which took no action to resolve their most serious problem.

Source: Technical Assistance Research Programs Institute, 1986.

MANY CONSUMERS ARE NOT HAPPY WITH BUSINESSES' RESPONSE TO THEIR COMPLAINTS

(PERCENTAGE OF COMPLAINANTS REPORTING A LESS THAN ACCEPTABLE RESPONSE TO THEIR CONSUMER PROBLEM)

The Technical Assistance Research Programs Institute's "Consumer Complaint Handling in America: An Update Study," consists of analyses drawn from Council of Better Business Bureaus, A.C. Nielsen, independent corporations, various publications, and Technical Assistance Research Programs' secondary research in 1986.



Many complainants are not satisfied with the action taken by business to resolve their problems.

Source: Technical Assistance Research Programs Institute, 1986.

POTENTIAL USE OF 800 NUMBERS FOR CUSTOMER ASSISTANCE

This report, "800 Numbers for Customer Service: A 1988 Profile," was conducted during the first quarter of 1988 by Technical Assistance Research Programs (TARP) in cooperation with the Society of Consumer Affairs Professionals in Business (SOCAP). The primary purposes of the study were to document the changes which have taken place in businesses' use of 800 numbers for customer service over the past five years and to ascertain the benefits which these numbers have provided to user companies and the innovative uses of the numbers which highlight the current state of the art. Advance letters and questionnaires were mailed to 1500 companies. A response rate of approximately 30% was achieved.

Industry Segment*	Percent of Customers Likely to Use 800 Number**
Auto Parts/Service	62%
Commercial Fuels	75%
Direct Marketing	80%
Financial Services	81%
Insurance	80%
Office Equipment	69%
Utility	70%

*Companies included in these studies did not operate customer service 800 numbers.
**These customers had a customer service need but chose not to request assistance from the company.

Source: TARP Industry Specific Data, 1988.

1989 CUSTOMER SERVICE/FULFILLMENT SALARIES

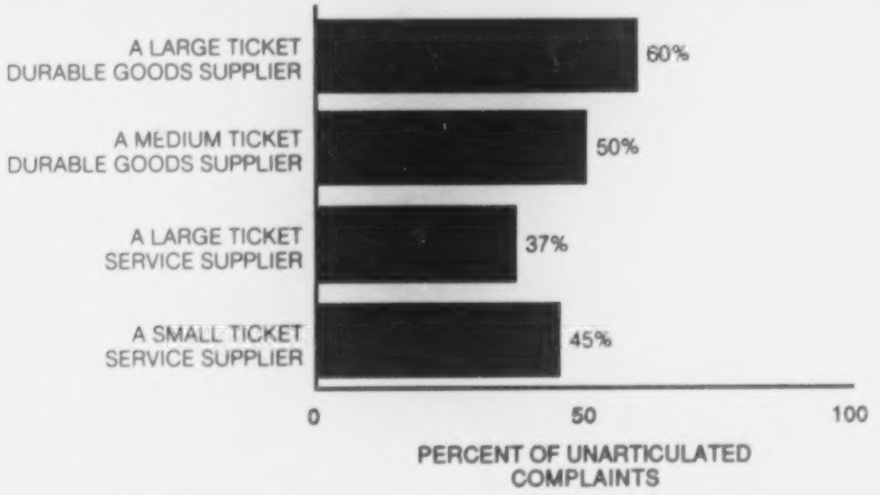
Crandall Associates, Inc. have determined the salaries by the following process: 1) Discussion with employers, from presidents to personnel officers, throughout the country, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with the professionals in Direct Marketing at all salary levels, working from coast to coast; 3) Search assignments that have been received nationally, enabling Crandall Associates, Inc. to confirm the levels that prove to be effective in recruiting candidates from each experience range and serve as a double check on the figures.

Position Title And Description	**Years Exp.**	**Base Salary Range (excluding benefits)**		**Leading Firms**
CUSTOMER SERVICE MANAGER: Responsible for diplomatic, effective management of customer relations within company's guidelines.	1–3	$17,000	$18,800	$22,900
	4–7	$20,200	$24,600	$27,800
	7+	$25,200	$30,100	$32,400
DATA PROCESSING MANAGER: Responsible for the management information services and systems, design, analysis, and programming.	1–3	$35,900	$41,000	$45,700
	4–7	$43,000	$48,000	$52,000
	7+	$49,600	$54,600	$59,100
FULFILLMENT MANAGER/Magazine: Responsible for list maintenance, cashiering and order processing, billing and renewal scheduling.	1–3	$24,700	$27,700	$31,900
	4–7	$29,300	$34,200	$37,000
	7+	$35,600	$39,200	$44,900
FULFILLMENT MANAGER/Product: Supervises merchandise order entry and processing, customer service, inventory, and warehousing.	1–3	$32,600	$37,100	$40,800
	4–7	$38,700	$42,400	$46,700
	7+	$44,500	$49,200	$53,600
OPERATIONS DIRECTOR: In large organizations responsibilities include manufacturing, production, procedures, budgets, fulfillment.	1–3	$40,100	$45,300	$50,800
	4–7	$49,000	$53,700	$61,200
	7+	$58,800	$67,300	$71,800

Source: Crandall Associates, Inc. 1989

MANY CONSUMERS DO NOT COMPLAIN

(PERCENTAGE OF CONSUMERS EXPERIENCING PROBLEMS WITH SELECTED PRODUCTS/ SERVICES WHO DID NOT COMPLAIN)



Source: Technical Assistance Research Programs Institute, 1986.

QUESTION/PROBLEM EXPERIENCE BY INDUSTRY SEGMENT

This report, "800 Numbers for Customer Service: A 1988 Profile," was conducted during the first quarter of 1988 by Technical Assistance Research Programs (TARP) in cooperation with the Society of Consumer Affairs Professionals in Business (SOCAP). The primary purposes of the study were to document the changes which have taken place in businesses' use of 800 numbers for customer service over the past five years and to ascertain the benefits which these numbers have provided to user companies and the innovative uses of the numbers which highlight the current state of the art. Advance letters and questionnaires were mailed to 1500 companies. A response rate of approximately 30% was achieved.

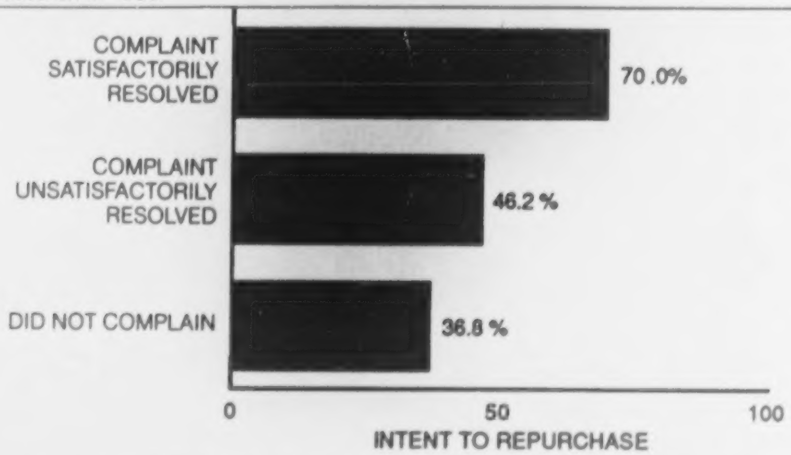
Industry Segment	Percent with Question/Problem	Time Frame
Auto Parts/Service	30–50%	last contact
Commercial Banking	25–35%	6 months
Commercial Fuels	10–20%	3 months
Direct Marketing	10–20%	3 months
Health Care	30–70%	3 months
Insurance	10–20%	3 months
Leisure	40–50%	last contact
Office Equipment	20–50%	3 months
Retail Banking	20–25%	6 months
Utility	10–45%	3 months

Source: TARP Industry Specific Data, 1986

RELATIONSHIP BETWEEN COMPLAINING AND DECISION TO REPURCHASE THE OFFENDING PRODUCT OR SERVICE:

MOST SERIOUS CONSUMER PROBLEM RESULTING IN POTENTIAL FINANCIAL LOSS OF $1– $5

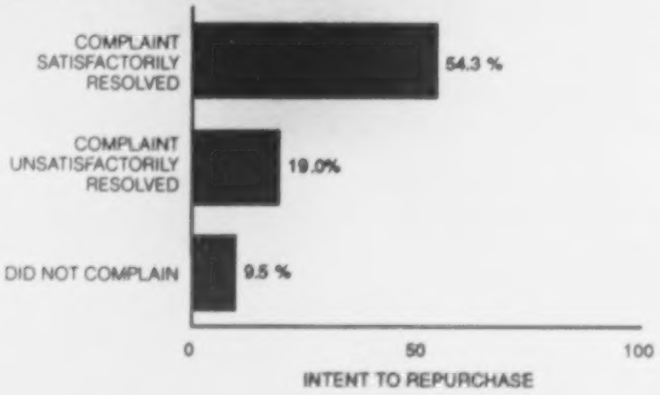
The Technical Assistance Research Programs Institute's "Consumer Complaint Handling in America: An Update Study," consists of analyses drawn from Council of Better Business Bureaus, A.C. Nielsen, independent corporations, various publications, and Technical Assistance Research Programs' secondary research in 1986.



Source: Technical Assistance Research Programs Institute, 1986

RELATIONSHIP BETWEEN COMPLAINING AND DECISION TO REPURCHASE THE OFFENDING PRODUCT OR SERVICE:

MOST SERIOUS CONSUMER PROBLEM RESULTING IN POTENTIAL FINANCIAL LOSS OF MORE THAN $100

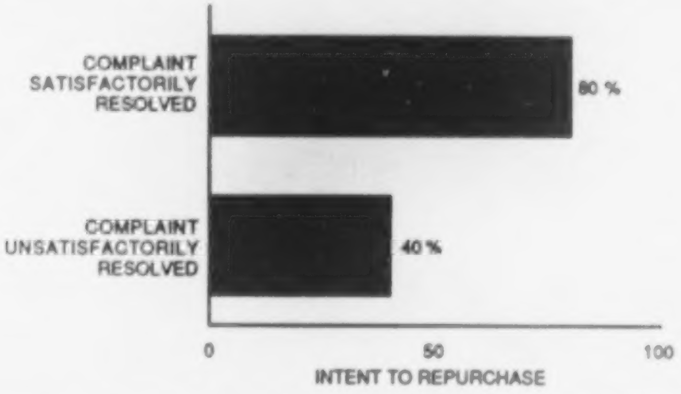


Source: Technical Assistance Research Programs Institute, 1986

HOW MANY UNHAPPY CUSTOMERS WILL REMAIN BRAND LOYAL?

LARGE TICKET DURABLE GOODS

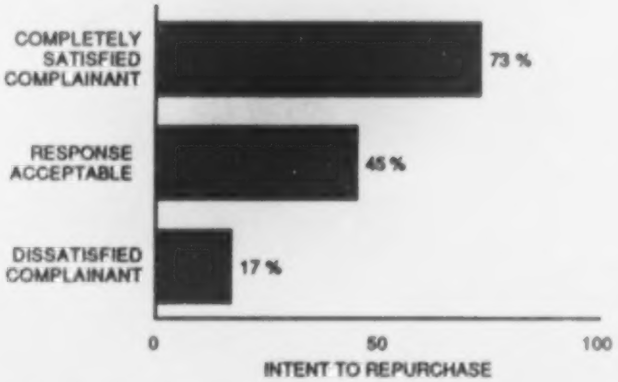
The Technical Assistance Research Programs Institute's "Consumer Complaint Handling in America: An Update Study," consists of analyses drawn from Council of Better Business Bureaus, A.C. Nielsen, independent corporations, various publications, and Technical Assistance Research Programs' secondary research in 1986.



Source: Technical Assistance Research Programs Institute, 1986

HOW MANY UNHAPPY CUSTOMERS WILL REMAIN BRAND LOYAL?

FINANCIAL SERVICE



—Complainants reported higher brand loyalty than noncomplainants.
—Dissatisfied complainants reported higher brand loyalty than noncomplainants.
—Satisfied complainants reported higher brand loyalty than dissatisfied complainants.
There is a strong relationship between complainant satisfaction and product/service line loyalty.

There is a strong relationship between complainant satisfaction and word of mouth communications. Dissatisfied complainants tell twice as many people about their negative experiences as satisfied complainants tell about their positive interactions.

Source: Technical Assistance Research Programs Institute, 1986.

TYPES AND FREQUENCY OF MAIL ORDER COMPLAINTS

Types of Complaints	Frequency
DELIVERY—DELAY/DAMAGE	57.8%
CREDIT/BILLING	13.7
UNSATISFACTORY SERVICE*	11.8
FAILURE TO PROVIDE REFUNDS	10.9
SELLING PRACTICES	2.0
PRODUCT QUALITY/PERFORMANCE	1.7
ADVERTISING PRACTICES	1.1
GUARANTEE/WARRANTY	.6
UNSATISFACTORY REPAIR	.3
DISCONTINUED BUSINESS	.1

*Unrelated to repair

Source: Council of Better Business Bureaus, Inc., 1985

NUMBER OF DIRECT RESPONSE COMPLAINTS REPORTED IN 1985

The Council of Better Business Bureaus ranked "Ordered Products Sales" fourth in their Top 10 Company Report Requests for 1985. In both 1984 and 1983, direct response orders topped this list as the leading complaint generator.

ORDERED PRODUCT SALES	# OF COMPLAINTS	% OF TOTAL
VIA CATALOGS BY MAIL	40,759	18.72%
VIA TELEPHONE SOLICITATION	26,691	12.26%
MAGAZINE SUBSCRIPTIONS BY MAIL	24,794	11.38%
VIA NEWSPAPER/MAGAZINE ADV	23,041	10.58%
VIA BROADCAST ADVERTISING	7,591	3.49%
NOT ELSEWHERE CLASSIFIED	94,908	43.58%
TOTAL	217,784	100%

Source: Council of Better Business Bureaus, 1986

- USPS INFORMATION

USPS EMPLOYEES/FACILITIES

TOTAL USPS EMPLOYEES	**1988**	**1987***	**1986***	**1985***	**1984***
HEADQUARTERS—L'ENFANT PLAZA	2,311	2,101	2,000	2,296	2,238
HEADQUARTERS—FIELD SUPPORT UNITS	5,677	5,792	5,552	4,207	4,510
FIELD CAREER EMPLOYEES					
REGIONAL OFFICES	437	431	595	3,261	2,788
INSPECTION SERVICE (FIELD)	4,146	4,278	4,262	4,387	4,528
POSTMASTERS	27,774	27,735	27,352	27,811	28,332
SUPERVISORS	44,170	43,076	40,723	39,034	42,721
PROF. ADMIN. TECH. PERSONNEL	10,532	10,582	8,717	7,263	2,009
CLERKS	296,712	296,360	290,255	278,462	266,034
NURSES	321	325	328	324	238
MAILHANDLERS	49,937	48,879	48,095	46,467	41,711
CITY DELIVERY CARRIERS	236,160	229,706	224,106	212,667	201,232
MOTOR VEHICLE OPERATORS	7,117	7,031	6,866	6,436	5,995
RURAL DELIVERY CARRIERS & SUBSTITUTES ON VACANT ROUTES	39,095	36,551	35,938	35,206	34,679
SPECIAL DELIVERY MESSENGERS	2,146	2,209	2,295	2,289	2,200
BLDG. & EQUIP. MAINTENANCE PERSONNEL	32,418	31,047	30,155	30,332	29,372
VEHICLE MAINTENANCE PERSONNEL	4,828	4,705	4,526	4,365	4,262
TOTAL CAREER EMPLOYEES	763,781	750,808	731,765	704,807	672,849
NON-CAREER EMPLOYEES					
CASUALS	25,043	9,621	20,675	9,157	22,221
NON-BARGAINING TEMPORARY	272	297	309	362	366
RURAL SUBS/RCA/RCR/AUX	34,573	29,831	31,808	30,164	6,687
PM RELIEF/LEAVE REPLACEMENTS	9,814	9,243	8,947	8,372	7,917

OFFICES, STATIONS AND BRANCHES	**1988**	**1987**	**1986**	**1985**	**1984**
NUMBER OF POST OFFICES	29,203	29,319	29,344	29,557	29,750
NUMBER OF STATIONS AND BRANCHES:					
CLASSIFIED STATIONS AND BRANCHES	4,957	4,910	4,240	4,224	4,184
CONTRACT STATIONS AND BRANCHES	4,294	4,087	3,965	3,856	3,744
COMMUNITY POST OFFICES	1,663	1,714	1,721	1,690	1,708
TOTAL	10,914	10,711	9,926	9,770	9,636
GRAND TOTAL	40,117	40,030	39,270	39,327	39,386

*Figures have been revised to conform with current method of counting career paid employees using the On-Rolls and Paid Employee Statistics data base.

Source: Annual Report of the Postmaster General, USPS 1988

VOLUME OF MAIL: 1985–1988

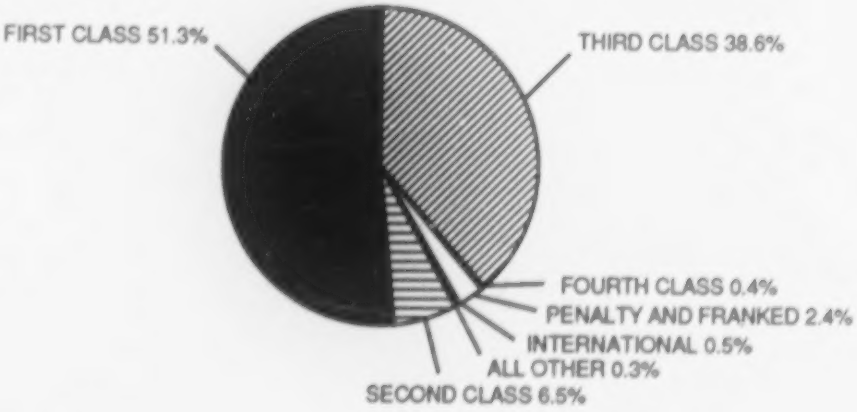
(IN BILLIONS)

MAIL CLASSIFICATION	1985	1986	1987	1988	PERCENT CHANGE 1987–88
FIRST-CLASS	72.44	76.19	78.87	82.32	4.4%
SECOND-CLASS	10.38	10.59	10.32	10.45	1.2%
THIRD-CLASS	52.17	55.05	59.73	61.97	3.7%
FOURTH-CLASS	0.58	0.60	0.62	.65	5.5%
PENALTY AND FRANKED	3.29	3.72	3.15	3.88	23.1%
INTERNATIONAL	0.83	0.80	.78	.72	−7.4%
ALL OTHER	0.41	0.41	.46	.50	10.4%
TOTAL MAIL	140.10	147.36	153.93	160.49	4.3%

Source: Annual Report of the Postmaster General, USPS, 1988

COMPOSITION OF MAIL

FISCAL YEAR 1988



Source: Annual Report of the Postmaster General, USPS, 1988

VOLUME OF THIRD CLASS MAIL 1986–1988

(POSTAL FISCAL YEARS: OCT. 1–SEPT. 30)

Mail Classification	1986	1987	1988	87–88 % CHANGE
SINGLE PIECE RATE	155,158	158,462	168,733	+6.5%
BULK RATE				
BASIC	11,629,416	12,505,514	11,921,066	−4.7%
CARRIER ROUTE	24,173,638	26,743,646	28,296,536	+5.7%
5-DIGIT	8,203,177	9,304,063	10,361,261	+11.4%
REGULAR RATE TOTAL	44,006,231	48,553,223	50,551,863	+4.1%
TOTAL NON-PROFIT	10,887,557	11,021,513	11,249,499	+2.1%
TOTAL THIRD CLASS	55,048,946	59,733,198	61,970,095	+3.7%

Source: "USPS Revenue, Pieces and Weight By Classes of Mail and Special Services for Fiscal Years 1986–9."

NUMBER OF PIECES OF MAIL ATTRIBUTED TO DIRECT MAIL

1977–1988 (POSTAL FISCAL YEAR—OCT. 1–SEPT. 30)
BASED ON DMA'S POSTAL VOLUME ESTIMATES AND U.S. POSTAL SERVICE REVENUE AND COST ANALYSIS REPORTS
(IN THOUSANDS)

	First Class D.Mail = 20%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 15%	Third Class Single D.Mail = 95%	Third Class Bulk D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog D.Mail = 100%	Int'l Mail D.Mail = 5%	Total #** Pieces	Total USPS # D.Mail Volume Pieces
Total 1977	58 827 034	199 487	28 562	612 518	17 138 794	6 825 799	84 998	684 979	79 402 091	34 247 163
Total DM	10 765 407	9 974	4 284	581 892	16 281 854	6 484 509	84 998	34 245		

	First Class D.Mail = 10%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 95%	Third Class Single D.Mail = 95%	Third Class Bulk D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog D.Mail = 100%	Int'l Mail D.Mail = 5%	Total #** Pieces	Total USPS # D.Mail Volume Pieces
Total 1978	54 557 218	213 329	32 504	539 724	18 684 430	7 020 146	85 431	718 935	81 851 717	30 524 728
Total DM	5 455 722	10 666	4 876	512 738	17 750 209	6 669 139	85 431	35 947		

	First Class D.Mail = 10%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 15%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog* D.Mail = 100%	Int'l Mail D.Mail = 5%	Total USPS** # Pieces	Total # D.Mail Volume Pieces
Total 1979	58 215 317	231 835	37 989	444 871	15 509 303	4 492 980	7 552 602	104 087	755 674	87 344 658	32 580 461
Total DM	5 831 532	11 592	5 698	422 627	14 733 838	4 268 331	7 174 972	104 087	37 784		
Total 1980	58 993 087	252 864	39 452	410 959	14 583 864	6 999 788	8 068 948	116 434	733 832	90 199 228	34 514 743
Total DM	5 899 309	12 643	5 918	390 411	13 854 671	6 649 799	7 665 500		36 692		

	First Class D.Mail = 10%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class 5-Digit Presort D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Fourth Class Bound Printed Matter D.Mail = 85%	Int'l Mail D.Mail = 5%	Total USPS** # Pieces	Total # D.Mail Volume Pieces
Total 1981	61 410 172	335 168	11 636 430	10 541 579	2 527 621	8 566 607	118 675	885 509		
Total DM	6 141 017	318 410	11 054 608	10 014 500	2 401 239	8 138 277	94 940	44 275	96 021 761	38 207 266

	First Class D.Mail = 7.5%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class 5-Digit Presort D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Fourth Class Bound Printed Matter D.Mail = 85%	Int'l Mail D.Mail = 2%	Total USPS** # Pieces	Total # D.Mail Volume Pieces
Total 1982	62 200 212	203 350	8 791 167	13 742 551	4 918 628	9 063 627	156 154	927 541	100 003 230	39 691 848
Total DM	4 665 016	198 183	8 351 609	13 055 423	4 672 697	8 610 446	124 923	18 551		
Total 1983	64 246 880	167 990	8 812 930	16 698 070	5 674 653	9 381 078	168 128	904 821	106 054 548	43 677 504
Total DM	4 818 516	159 591	8 372 284	15 863 167	5 390 920	8 912 022	142 908	18 096		
Total 1984	68 428 570	178 316	9 559 199	21 391 900	6 747 731	10 371 568	194 760	894 840	131 544 620	51 151 864
Total DM	5 132 143	169 400	9 081 239	20 322 305	6 410 344	9 852 990	165 546	17 897		
Total 1985	72 440 277	168 355	10 428 866	23 407 236	7 189 668	10 976 133	212 829	829 404	140 097 956	55 567 256
Total DM	5 808 021	159 937	9 907 422	22 236 874	6 830 185	10 427 326	180 905	16 588		
Total 1986	76 186 648	155 158	11 629 416	24 173 638	8 203 177	10 887 557	249 221	797 727	147 375 805	58 238 290
Total DM	5 713 999	147 400	11 047 945	22 964 956	7 793 018	10 343 179	211 838	15 955		
Total 1987	78 869 309	158 462	12 505 514	26 743 646	9 304 063	11 021 513	255 537	777 816	153 930 575	62 694 702
Total DM	5 915 198	150 539	11 880 258	25 406 454	8 838 860	10 470 437	217 206	15 556		
Total 1988	82 316 607	168 733	11 921 066	28 269 536	10 361 261	11 294 499	308 862	720 032	160 490 868	65 365 016
Total DM	6 173 745	160 296	11 325 012	26 856 059	9 843 198	10 729 774	262 532	14 400		

Note: Priority Mail and Mailgram figures are not reported in the most current years because the volume of dm pieces is not a substantial portion.

*In 1981 the USPS discontinued reporting the catalog figure as a separate category. Since then this figure has been included in the third class mail figures.

**Includes complete USPS volume for all Classes of mail.

Source: Direct Marketing Association, "USPS Revenue and Cost Analysis Report," 1988.

DMA/DOUBLEDAY BULK THIRD-CLASS DELIVERY TEST

COMPARISON WITH 1981 AND 1983 TESTS
The DMA/Doubleday tests were conducted using the verified home addresses of DMA members who volunteered to report mail delivery results. The 1987 test also included active members of the Third Class Mail Association. Here is a comparison of the results:

Similar delivery tests were run in 1981 and 1983.

	NONDELIVERY PERCENTAGE		
	1987	1983	1981
TEST PIECE	**base = 1613**	**base = 700**	**base = 890**
LITERARY GUILD FLAT ENDORSED, "FORWARDING AND RETURN POSTAGE GUARANTEED"	3.4%	3.1%	6.6%
LITERARY GUILD FLAT, NO FORWARDING OR RETURN ENDORSEMENT	5.0%	5.4%	8.4%
MERCHANDISE CATALOG			
FINGERHUT	14.1%	—	—
SPIEGEL	—	10.2%	—
DAV (NONPROFIT) LETTER-SIZE	8.1%	—	—
LUVS DIAPERS COUPON	—	18.9%	—

Source: DMA & Doubleday, 1987

BRIEF HISTORY OF SELECTED POSTAL RATES 1960–1989

3RD CLASS BULK
(BEFORE PRESORT PROGRAM INITIATED)

YEAR	EFFECTIVE DATE*	REGULAR BULK MIN. PER PIECE	EFFECTIVE DATE	NON PROFIT MIN. PER PIECE
	1/1/59	2¢	1/1/59	1¢
1960	7/1/60	2.5¢	7/1/60	1.25¢
1961		2.5¢		1.25¢
1962		2.5¢		1.25¢
1963	1/7/63	2.625¢		1.25¢
1964	1/1/64	2.75¢		1.25¢
1965	1/1/65	2.875¢		1.25¢
1966		2.875¢		1.25¢
1967		2.875¢		1.25¢
1968	1/7/68	3.6¢	1/7/68	1.4¢
1969	7/1/69	3.8/4.0¢*	7/1/69	1.6¢
1970		3.8/4.0¢*		1.6¢
1971	5/16/71	4.04/4.2¢*	5/16/71	1.7¢
1972	3/12/72	5.0¢		1.7¢
	7/6/72	4.85/5.0¢*		
1973		4.8/5.0¢*		1.7¢
1974	3/2/74	6.1/6.3¢*	7/6/74	1.8¢
1975	12/31/75	7.7/7.9¢*		1.8¢
1976	7/6/76	7.7/7.9¢*	7/6/76	1.9¢
	7/18/76	7.5/7.7¢*	7/18/76	2.0¢
1977		7.5/7.7¢*	7/6/77	2.1¢
1978	5/29/78	8.4¢	5/29/78	2.4¢
			7/6/78	2.7¢
1979			7/6/79	3.1¢

* = 1st 250M pieces per year at initial figure

Source: Direct Marketing Association, 1989

3RD CLASS MIN. PER PIECE

(BY PRESORT CATEGORY BEGINNING 1979)

YEAR	BULK RATE REGULAR EFFECTIVE DATE	CARRIER ROUTE	FIVE DIGIT	ALL OTHER
1979		6.7¢	n/a	8.4¢
1981	3/22/81	6.4¢	8.8¢	10.4¢
1981	11/1/81	7.9¢	9.3¢	10.9¢
1983	5/22/83	7.4¢	9.3¢	11.0¢
1985	2/17/85	8.3¢	10.1¢	12.5¢
1987	4/3/87	10.1¢	13.2¢	16.7¢
	NON-PROFIT			
1980	7/6/80	3.2¢	n/a	3.5¢
1981	7/6/81	1.9¢	2.9¢	3.8¢
1982	1/10/82	4.0¢	5.0¢	5.9¢
1982	7/24/82	3.0¢	4.0¢	4.9¢
1983	1/9/83	3.3¢	4.3¢	5.2¢
1985	2/17/85	3.4¢	4.9¢	6.0¢
1986	1/1/86	4.8¢	6.3¢	7.4¢
1986	3/9/86	5.7¢	7.2¢	8.7¢
1986	4/20/86	5.5¢	7.1¢	8.5¢
1988	4/3/88	5.3¢	7.6¢	8.4¢

4TH CLASS PARCEL POST LOCAL (ZONES 1, 2, 3)

YEAR	EFFECTIVE DATE	PER PC.	PER LB. (1–5)	YEAR	EFFECTIVE DATE	PER LB. (UP TO 2 LBS.)
1960	2/1/60	20¢	+ 2¢	1970	11/14/70	60¢
1961		20¢	+ 2¢			
1962		20¢	+ 2¢			
1963	4/1/64	25¢	+ 2¢			
1964		25¢	+ 2¢	1974	3/2/74	61¢
1965	1/15/67	25¢	+ 2¢	1975	9/14/75	67¢
1966		25¢	+ 2¢ + 10¢		12/31/75	77¢
1967			to nearest 5 or 10¢			
1968	10/19/68	45¢	+ 2¢ –			
			to nearest 5¢	1978	5/29/78	$1.15
				1979		
				1980		
				1981	3/22/81	$1.38
				1985	2/17/85	$1.41
				1988	4/3/88	$1.43

YEAR	1ST CLASS 1ST OZ. EFFECTIVE DATE	PER PIECE
1960	8/1/58	4¢
1961		4¢
1962		4¢
1963	1/7/63	5¢
1964		5¢
1965		5¢
1966		5¢
1967		5¢
1968	1/7/68	6¢
1969		6¢
1970		6¢
1971	5/16/71	8¢
1972		8¢
1973		8¢
1974	3/2/74	10¢
1975	12/31/75	13¢
1976		13¢
1977		13¢
1978	5/29/78	15¢
1981	3/22/81	18¢
1981	11/1/81	20¢
1985	2/17/85	22¢
1988	4/3/88	25¢

YEAR	3RD CL. SINGLE PIECE 1ST 2 OZS. EFFECTIVE DATE	PER PIECE
1960	8/1/58	3¢
1961		3¢
1962		3¢
1963	1/7/63	4¢
1964		4¢
1965		4¢
1966		4¢
1967		4¢
1968	1/7/68	6¢
1969		6¢
1970		6¢
1971	5/16/71	8¢
1972		8¢
1973		8¢
1974	3/2/74	10¢
1975	12/31/75	13¢
1976	7/18/76	14¢
1977		14¢
1978	5/29/78	20¢
1981	3/22/81	18¢
1981	11/1/81	20¢
1985	2/17/85	22¢
1988	4/3/88	25¢

Source: Compiled by Direct Marketing Association, Inc. 1989

SELECTED FOREIGN POSTAL RATES COMPARED WITH UNITED STATES RATE

COUNTRY	RATE FOR FIRST UNIT OF DOMESTIC LETTER POSTAGE (NATIONAL CURRENCY)		POSTAGE CONVERTED TO U.S. CENTS*
ITALY	600.00	Lira	46.7
GERMANY (FED. REP.)	.80	Mark	44.7
JAPAN	60.00	Yen	43.1
NORWAY	2.70	Krona	40.5
AUSTRIA	5.00	Shilling	40.0
NETHERLANDS	.75	Guilder	37.1
FRANCE	2.20	Franc	36.8
BELGIUM	13.00	B. Franc	35.0
SWITZERLAND	.50	S. Franc	34.0
SWEDEN	2.10	Krona	33.6
UNITED KINGDOM	.17	Pound	28.2
CANADA	.36	C$	26.9
AUSTRALIA	.36	A$	25.4
U.S.A.	.25	US$	25.0

*Foreign exchange rates prevailing on April 27, 1987.

Source: *The Washington Post*, April 28, 1987

PREVIOUS AND CURRENT RATES OF POSTAGE FOR POSTAL SERVICES USED BY DIRECT MARKETERS

FIRST CLASS MAIL

MAIL TYPE	POSTAGE RATE UNIT	PREVIOUS RATES REGULAR (CENTS)	PREVIOUS RATES PRESORTED (CENTS)[1]	1988 RATES REGULAR (CENTS)	1988 RATES PRESORTED (CENTS)[2]
LETTERS	1ST OUNCE	22	18/17	25	21/19.5
	EACH ADDITIONAL OUNCE[3]	17	17	20	20
CARDS	PIECE	14	12/11	15	13/11.5
ZIP + 4 MAIL:[4]					
LETTERS	FIRST OUNCE	21.1	17.5	24.1	[4]20.5
	PRE-BAR CODE	……	……	……	20
	EACH ADDITIONAL OUNCE[3]	17	17	20	20
CARDS	PIECE	13.1	11.5	14.1	12.5
	PRE-BAR CODED	……	……	……	12
NONSTANDARD SURCHARGE[5]	……	10	10	10	10

[1] Presorted First-Class Mail must be presented in a single mailing of at least 500-pieces properly prepared and presorted. The 5-digit presort rate applies only to each piece of a group of ten or more pieces destined for the same 5-digit ZIP Code or each piece of a group of 50 or more pieces destined for the same 3-digit ZIP Code. The lower rate applies only to mail presorted to carrier route, with a minimum of 10 pieces per route. A mailing fee of $50 must be paid once each year at each office of mailing by any person who mails presorted First-Class Mail. [The fee for mailers allows usage of either or both of these rates.]

[2] Presorted First-Class Mail must be presented in a single mailing of at least 500 pieces properly prepared and presorted. The higher rate applies to mail presorted to ZIP Code and prepared as prescribed by the Postal Service. The lower rate applies only to mail presorted to carrier route, and prepared as prescribed by the Postal Service. A mailing fee must be paid once each year at each office of mailing by any person who mails presorted First-Class Mail. [The fee for mailers allows usage of either or both of these rates.]

[3] Rate applies through 12 ounces. Heavier pieces are subject to zone-rated priority mail rates.

[4] ZIP + 4 mail must be properly prepared and submitted in a single mailing of at least 250 pieces, except where the presort minimum of 500 applies. ZIP + 4 rates are not available for carrier route presort mail.

[5] Applies to the first ounce only. Not applicable to ZIP + 4 mail.

Source: USPS, May 1989

THIRD CLASS SINGLE PIECE MAIL

CHARGES FOR FIRST AND THIRD CLASS NON-BULK ARE SIMILAR

	RATE	
	PREVIOUS (CENTS)	1988 RATE (CENTS)
SINGLE PIECE:		
ONE OUNCE	22	25
TWO OUNCES	39	45
THREE OUNCES	56	65
FOUR OUNCES	73	85
FIVE AND SIX OUNCES	88	100
EACH ADDITIONAL 2 OUNCES	10	10
NONSTANDARD SURCHARGE[1]	10	10
KEY AND IDENTIFICATION DEVICES:		
FIRST 2 OUNCES	62	85
EACH ADDITIONAL 2 OUNCES	34	47

[1] Applies only to pieces weighing 1 ounce or less.

Source: USPS, May 1989

THIRD CLASS REGULAR BULK MAIL

	RATE	
	PREVIOUS (CENTS)	1988 RATE (CENTS)
BULK RATE STRUCTURE:[1]		
PER POUND, REQUIRED PRESORTATION	38 plus 4.2 cents per piece	48 plus 6.6 cents per piece.
PER POUND, PRESORTED TO 5-DIGIT ZIP CODE	38 plus 1.8 cents per piece	48 plus 3.1 cents per piece.
PER POUND, PRESORTED TO CARRIER ROUTE	38.0	48
MINIMUM PER PIECE, REQUIRED PRESORTATION	12.5	16.7.
MINIMUM PER PIECE, PRESORTED TO 5-DIGITS	10.1	13.2.
MINIMUM PER PIECE, PRESORTED TO CARRIER ROUTE	8.3	10.1.

[1] Currently, a fee of $50 must be paid once each calendar year for each bulk mailing permit. The proposed bulk fee is $60.

Source: USPS, May 1989

THIRD CLASS NON-PROFIT BULK MAIL

	FULL RATE	
	PREVIOUS (CENTS)	1988 RATE (CENTS)
NONPROFIT BULK RATE STRUCTURE:[1]		
PER POUND, REQUIRED PRESORTATION	21.9 plus 2.6 cents per piece	25.1 plus 3.1 cents per piece.
PER POUND, PRESORTED TO 5-DIGIT ZIP CODE	21.9 plus 1.5 cents per piece	25.1 plus 2.3 cents per piece.
PER POUND, PRESORTED TO CARRIER ROUTE	21.9	25
MINIMUM PER PIECE, REQUIRED PRESORTATION	7.4	8.0
MINIMUM PER PIECE, PRESORTED TO 5-DIGITS	6.3	7.1
MINIMUM PER PIECE, PRESORTED TO CARRIER ROUTE	4.8	4.5

[1] Currently, a fee of $50 must be paid once each calendar year for each bulk mailing permit. The proposed bulk fee is $60.

Source: USPS, May 1989

FEES FOR POSTAL SERVICES USED BY DIRECT MARKETERS

BUSINESS REPLY MAIL

DESCRIPTION	FEES (IN ADDITION TO POSTAGE) PREVIOUS (CENTS)	FEES (IN ADDITION TO POSTAGE) 1988 RATE (CENTS)
BUSINESS REPLY:[1]		
WITHOUT ADVANCE DEPOSIT ACCOUNT:		
REGULAR	7	8
DISCOUNT[2]		5
WITHOUT ADVANCE DEPOSIT ACCOUNT	23	40

[1] Rates are applied on a per-piece basis in addition to regular First-Class postage. Currently, a fee of $50 must be paid once each year for each business reply permit. The proposed fee is $60. An accounting charge of $160 must be paid once each year for each business reply advance deposit account. The proposed charge is $200.

[2] Currently there is no rate differential offered for pieces that are bar-coded, it is proposed that a 2¢ discount be offered for bar-coded pieces meeting certain ZIP + 4 and additional automated mail processing criteria.

ADDRESS CORRECTION

DESCRIPTION	FEE PREVIOUS	FEE 1988 RATE
PER PIECE	$0.30	$0.30

ZIP CODING OF MAILING LISTS

DESCRIPTION	FEE PREVIOUS	FEE 1988 RATE
PER 1,000 ADDRESSES	$36.00	$42.00

CORRECTION OF MAILING LIST

DESCRIPTION	FEE PREVIOUS	FEE 1988 RATE
PER SUBMITTED ADDRESS	$0.15	$0.15

Source: USPS, May 1989

MAILING LIST SERVICES

	FEE	
	PREVIOUS (CENTS)	1988 RATE (CENTS)
CORRECTIONS ASSOCIATED WITH ARRANGEMENT OF ADDRESS CARDS IN SEQUENCE OF CARRIER DELIVERY:		
PER CORRECTION	$0.15	$0.15

When rural routes have been consolidated or changed to another post office, no charge will be made for correction if the list contains only names of persons residing on the route or routes involved.

Source: USPS, May 1989.

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